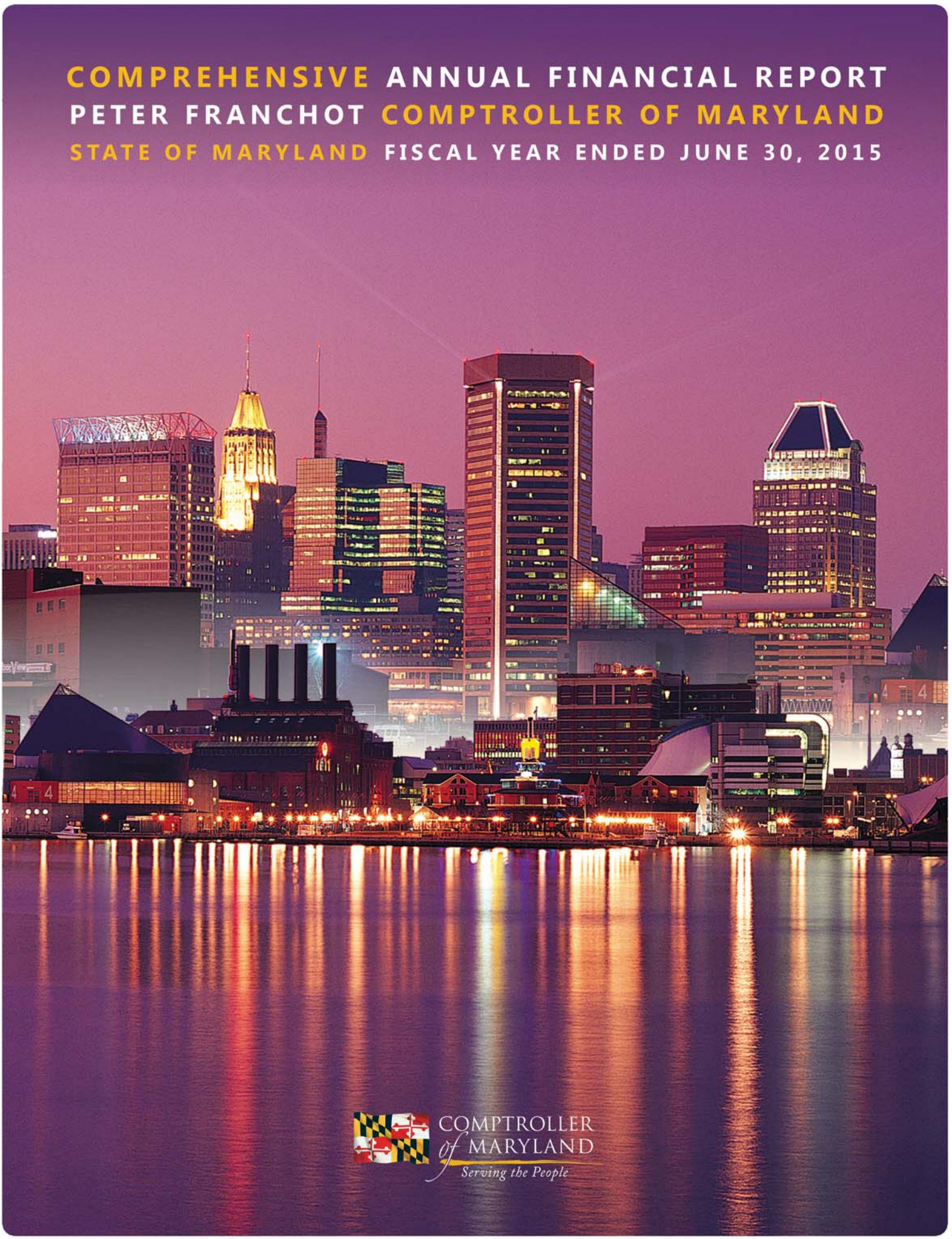
COMPREHENSIVE ANNUAL FINANCIAL REPORT

PETER FRANCHOT COMPTROLLER OF MARYLAND

STATE OF MARYLAND FISCAL YEAR ENDED JUNE 30, 2015



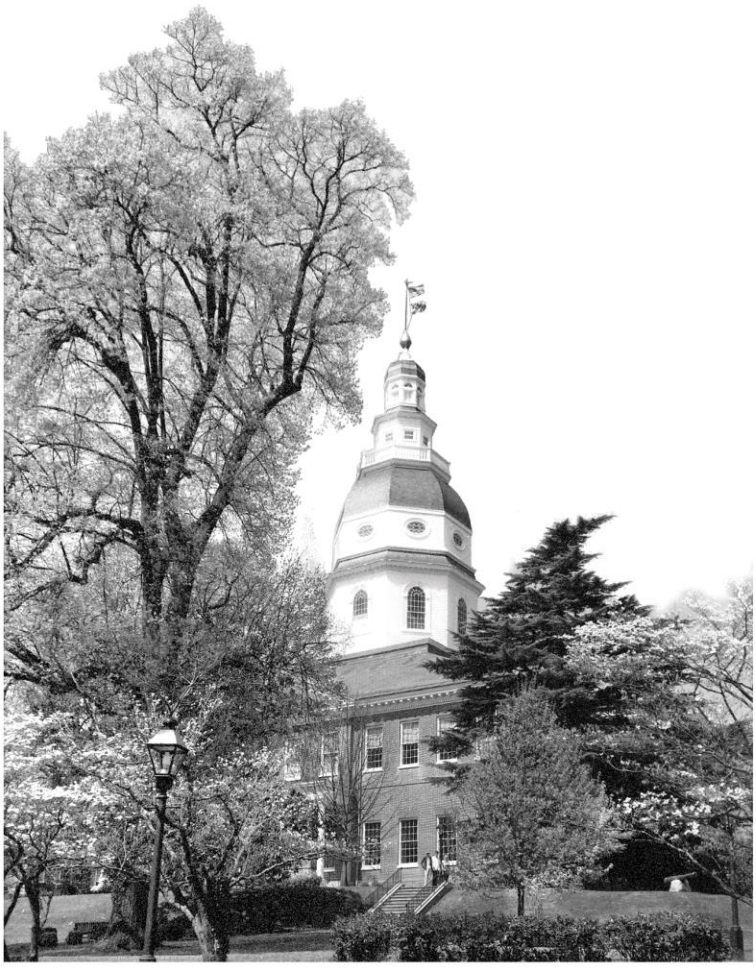
COMPTROLLER of MARYLAND

Serving the People

STATE OF MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



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Governor

Boyd K. Rutherford
Lieutenant Governor

Peter Franchot
Comptroller

Brian E. Frosh
Attorney General

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President of the Senate

Michael E. Busch
Speaker of the House of Delegates

The Seal of The Comptroller of the Treasury

The Comptroller of the Treasury was created by Maryland's state constitution of 1851 to have "general superintendence of the fiscal affairs of the state." More specifically, the Comptroller's Office was created to keep watch over the State Treasurer whose activities had previously gone unchecked. The seal was authorized by the Maryland General Assembly on March 10, 1858, effective May 1, 1858. The seal is decorated with a shield bearing the coats-of-arms (family symbols) of the Calvert and Crossland families — the paternal and maternal lineage of George Calvert, first baronet of Baltimore, who founded the Maryland Colony in 1634.

Among the symbols on the seal are crossed keys, symbolizing security. The two keys also represent the two constitutional fiscal officers: the Comptroller and the Treasurer. By law, all money paid out of the State Treasury has to be approved by both.

Further symbols are: an eagle, symbolizing higher vision; a caduceus, symbol of commerce and negotiation; a safe, symbolizing financial security; and a dog, symbolizing the Comptroller's role as watch dog or guardian of the public trust. The Seal also bears the Comptroller's motto, "Crescite et Multiplicamini," which is Latin for "Increase and Multiply."

A Message from Comptroller Peter Franchot

I am truly honored and deeply humbled to serve in my third term as Maryland's Comptroller, becoming the fourth Comptroller in our state's storied history to do so, and only the third to serve three consecutive terms. It is a profound privilege to represent the citizens of Maryland and to carry on the 164-year legacy of public service established by all the legendary Comptrollers who occupied this office before me, particularly Maryland icons Louis L. Goldstein and William Donald Schaefer.

The continued success of our agency reflects a strong commitment to delivering new and higher standards of taxpayer service based on respect, responsiveness and results. This unwavering dedication has earned the agency national acclaim as the most efficient and effective Comptroller's Office in the country. Through strategic investments in advanced technology we have recaptured nearly $4.6 billion in delinquent taxes rightfully owed to the State. A record number of Marylanders are now filing their taxes electronically and receiving their refunds, on average, within three business days. We've reunited nearly $528 million in unclaimed property, and have intercepted tens of millions in overdue child support payments and delivered them to children in need.

We are also focused on pursuing reforms to ensure Maryland is well-positioned for long-term success and prosperity: a multi-year moratorium on new or increased taxes or major regulatory changes in order to restore a sense of certainty, provide families with enough financial security to spend disposable income, and to allow businesses the confidence to invest capital and create jobs; an overhaul of the State's procurement process to ensure taxpayers are getting the best deal for their hard-earned money by requiring a greater dedication to transparency, competition and attentive management; and a steadfast commitment to providing the next generation with the financial knowledge they need to lead productive lives.

I remain dedicated to the values of my predecessors and humbled by the opportunity to continue to serve our great state and improve the life of every Marylander.

Comptroller Peter Franchot

COMPTROLLER OF MARYLAND

Peter Franchot
Comptroller

Sharonne Bonardi
Deputy Comptroller

Len Foxwell
Chief of Staff

John T. Gontrum
Assistant Comptroller

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Three Newly Renovated
PORTRAITS OF MARYLAND COMPTROLLERS

Now installed with the Permanent Exhibit in the Louis L. Goldstein Treasury Building

DENNIS CLAUDE
(ca. 1782-1863)
Anne Arundel County
Military Surgeon
Comptroller - 1861

With a distinguished career as a War of 1812 military surgeon, and Mayor of Annapolis for four decades, 79-year-old Claude was appointed Comptroller for a few months during the 1861 war crisis. Governor Henry H. Hicks brought in Claude to prevent Abram Jarrett from taking office. Jarrett was the choice of a legislature that supported Maryland secession to the southern Confederacy.

Maryland's 5th Comptroller, Dennis Claude, was painted with oil on canvas c.1910-20 by portrait artist Meredith Janvier (1872-1936). Meredith Janvier was born in Albemarle County, Va., in 1872 and died in Baltimore in 1936. Janvier was best known for photographing the leading men of Baltimore in the early 20th century, however, he also was a respected author, book collector and painter. There are 15 portraits in the state-owned art collection by Janvier, primarily of treasurers and comptrollers.

This portrait of Maryland's 13th Comptroller, J. Frank Turner, was painted with oil on canvas by an unknown artist.

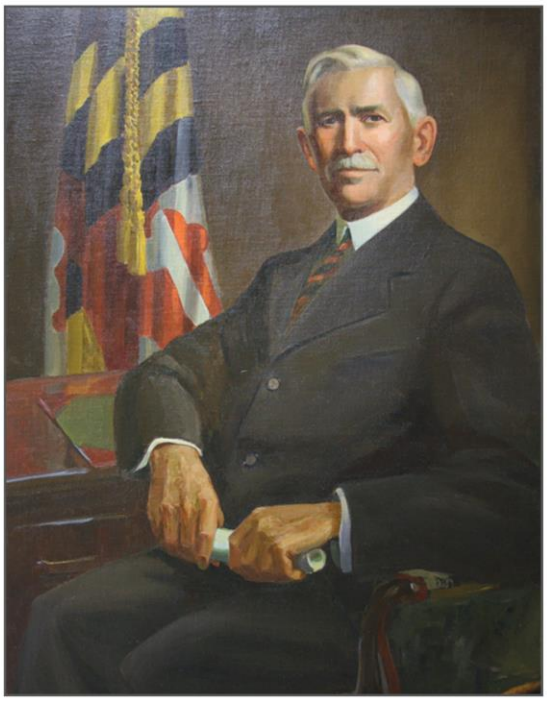
J. Frank Turner

(1844-1916)

Talbot County, Lawyer, Democrat

Comptroller - 1884-1888

Turner began his career as a Register of Wills and Clerk of the Talbot County Courts. When he became Comptroller, Turner continued the trend to reduce the state debt and run the office in a more professional manner. He was heavily involved in continuing efforts to extricate the state from ill-fated investments in canals and railroads. He also focused on managing the state fleet against the criminal excesses of the oyster pirates. In his later career, Turner took an active interest in the commercial success of the Town of Easton.



Maryland's 23rd Comptroller, Emerson C. Harrington was painted with oil on canvas in the early 20th century by artist James Pearce Wharton (1893-1963).

Emerson Columbus Harrington

(1864-1945)

Dorchester County, Teacher, Lawyer, Democrat

Comptroller - 1912-1916

Harrington was a very successful student and tutor at St. John's College before serving as principal at Cambridge Academy and High School for more than a decade. He would later become Dorchester County State's Attorney for one term before serving as Comptroller and then as governor (1916-1920) during World War I. Governor Harrington organized the successful Council of Defense which effectively addressed wartime problems, built Fort Meade and sought a more efficient state government.

Respect for Our Past

On January 26, 2015, Comptroller Peter Franchot was sworn-in by Governor Larry Hogan for a third term; to the Comptroller's right is his wife, Anne Maher, their daughter, Abigail Franchot Borok and her husband, Daniel; far right, is Maryland Secretary of State, John C. Wobensmith.

AS MARYLAND'S COMPTROLLER, I feel a certain obligation to safeguard the history and significance of this historic office and to pay homage to the 31 men who have occupied it before me. From every corner of our state, this post has been distinguished by officeholders from all walks of life: farmers, teachers, lawyers, newspaper editors, bankers, doctors, merchants, miners and businessmen. All of them brought their collective wisdom to an office that seeks to serve Marylanders by carefully safeguarding their hard-earned tax dollars.

We honor these leaders and their legacies with a permanent exhibit of their portraits in the Goldstein Treasury Building. This year, we added newly restored oil portraits to the exhibit of three men who provided a steady hand during some of the most turbulent times in our history.

Dennis Claude, our fifth Comptroller, was instrumental in keeping Maryland in the Union in 1861. Unionist Governor Thomas Holliday Hicks installed him as Comptroller in an effort to prevent the General Assembly from installing their own Confederate-leaning Comptroller. So, for a period of time, Maryland had two competing Comptrollers — as the future of our state and our nation hung in the balance.

J. Frank Turner served as Register of Wills and Clerk of the Talbot County Courts before becoming the 13th Comptroller. During his two terms, Turner reduced the State's debt and as a Member of the Board of Public Works, exercised increasing responsibility in the management of state properties and in the hiring and management of state personnel.

Emerson Columbus Harrington was Maryland's 23rd Comptroller and later served as Governor during World War I. He is credited with building Fort Meade, making government efficiency a priority and establishing a ferry service between Annapolis and the Eastern Shore.

Much of our state's history is bound together with the service these great leaders performed for more than 160 years. I am proud to be a temporary caretaker of this distinguished office and will remain committed to rise to today's challenges and improve the lives of the people I serve — just as these great Maryland leaders who preceded me.

Signature Accomplishments

Comptroller Franchot tours Suitland High School with Prince George's County Executive Rushern Baker.

UNDER MY LEADERSHIP, the Comptroller's Office's signature accomplishments are in the core areas of taxpayer service, tax fairness and fiscal responsibility. We have worked diligently to make the tax filing process as easy and convenient as possible for the vast majority of Marylanders who fulfill their obligations and pay their taxes on time. When I took office in 2007, fewer than half of all Marylander filed their taxes electronically. Now more than 80 percent do so, saving the State administrative costs and ensuring that most taxpayers receive their refunds within three business days.

Tax fairness is not just a concept; for us in the Comptroller's Office it's a driving principle. Through new, innovative and aggressive strategies, my office has collected more than $4 billion in delinquent taxes over the last nine years that are rightfully owed to the people of Maryland. This is money that is used to improve our schools, protect our neighborhoods, modernize our infrastructure, and clean up the Chesapeake Bay.

Our Field Enforcement Division has demonstrated national leadership in the fight against illegal cigarette smuggling that targets vulnerable children and puts local businesses at a competitive disadvantage. Since 2007, our agents have confiscated more than 1.1 million packs of untaxed cigarettes with a market value of approximately $5.7 million.

As a member of the state's Board of Public Works, I am proud to have supported Maryland's historic investment of $2.6 billion in state school construction funding over the last nine years. No investment has more significance to our long-term economic prosperity than those we make in our schools, our children and our teachers.

These successes would not be possible without the professionalism and dedication of our great team in the Comptroller's Office — or the support of Marylanders who do the right thing and pay their taxes on time.

Moving Forward

Maryland Comptroller Peter Franchot at the Annapolis Regional Library discusses the College Savings Plan of Maryland.

AS MARYLAND'S CHIEF FISCAL OFFICER, it is my duty to ensure our state is well-positioned for long-term success and prosperity. That begins with what I call, "fiscal responsibility with a purpose." Understanding that to afford those programs we truly need, we have to forgo those well-intentioned programs we simply want. It's about setting priorities and making tough choices, like every Maryland family does.

As Comptroller, I've voted on more than 15,000 contracts worth $80 billion on the Board of Public Works. I ask the tough questions and hold officials accountable for choices that affect taxpayers. Together with Governor Larry Hogan, I am demanding a greater degree of commitment to transparency, competition and attentive management.

I remain dedicated to making significant investments in our state's most important asset — our children — by making sure every student has a safe, comfortable and innovative place to learn. We are also working to ensure that every Maryland student receives a comprehensive financial education before graduation so they understand the basics of credit, debt, investing and saving critical to their future success and to the financial stability of our state.

Together as a state, we will work together to overcome obstacles and create opportunity for all. Our future is bright, thanks to the innovation, dedication and entrepreneurial spirit of the citizens of Maryland.

Government Finance Officers Association

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Presented to

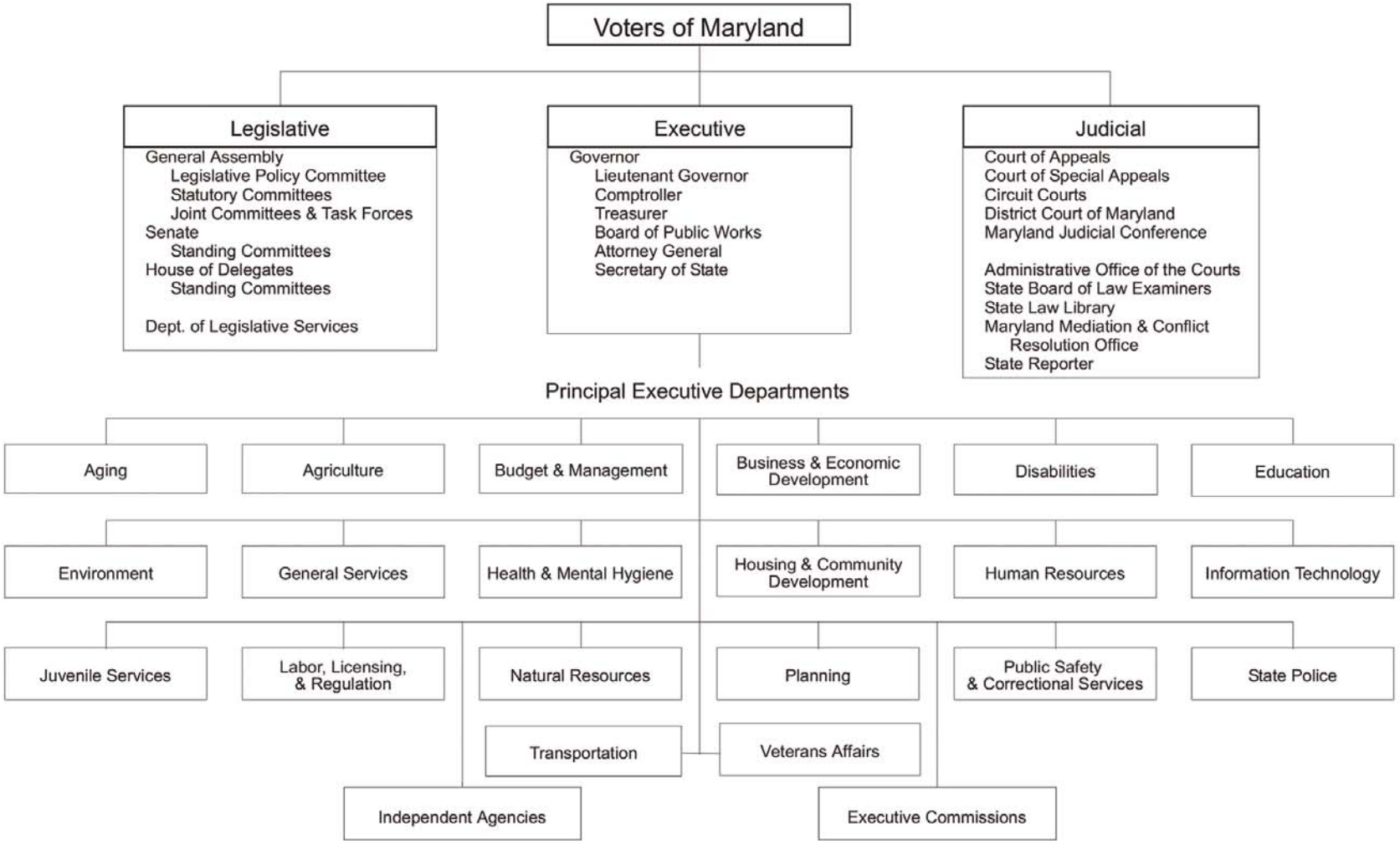
State of Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

OVERVIEW MARYLAND STATE GOVERNMENT



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TREASURY DEPARTMENT
COMPTROLLER'S OFFICE
CRESCITE ET MULTIPLICAMINI

INTRODUCTORY SECTION

OCEAN CITY, MARYLAND

COMPTROLLER of MARYLAND
Serving the People

Peter Franchot
Comptroller

December 15, 2015

Honorable Members of the General
Assembly and the Governor,
State of Maryland

The Comprehensive Annual Financial Report (CAFR) of the State of Maryland (State), for the Fiscal Year ended June 30, 2015, includes the financial statements of the State as well as information required by Title 2, Section 102 of the State Finance and Procurement Article of the Annotated Code of Maryland. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Office of the Comptroller.

The statutes of the State require an audit of every unit of the Executive and Judicial branches of government, including the Comptroller of Maryland's records, by the Legislative Auditor at least every three years. The Legislative Auditor is required to be and is a certified public accountant. The Legislative Auditor makes fiscal, compliance and performance audits of the various agencies and departments of the State and issues a separate report covering each of those audits. The primary purpose of the reports is to present the Legislative Auditor's findings relative to the fiscal management of those agencies and departments.

Additionally, my office requires an audit of the State's basic financial statements by a firm of independent auditors selected by an audit selection committee composed of members from the Comptroller's Office and other units of the Executive branch of State government. This requirement has been compiled with, and the opinion of SB & Company, LLC, has been included in the financial section of this report. SB & Company, LLC also performed an audit to meet the requirements of the Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and such information is contained in another reporting package.

The State has issued guidelines to its agencies for establishing effective internal controls. As a recipient of Federal assistance, the State is responsible for ensuring compliance with laws and regulations related to such assistance. This compliance is accomplished through the internal control guidelines. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The accompanying financial statements include all funds of the State (primary government), as well as all component units. Component units are legally separate entities for which the primary government is financially accountable. The various colleges and universities and the College Savings Plans of Maryland are reported as major component units. The Maryland Environmental Service, the Maryland Industrial Development Financing Authority, the Maryland Food Center Authority, the Maryland Technology Development Corporation and the Maryland Stadium Authority are combined and presented as non-major component units.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent public accountants.

Background Information on the State:

Maryland ratified the United States Constitution on April 28, 1788. Its capitol is Annapolis, where the principal activities of state government are centered. Its employment is based largely in services, trade and government. These sectors, along with finance, insurance and real estate are the largest contributors to the gross state product. The State has a bicameral legislature, the General Assembly, composed of the Senate with 47 members and the House of Delegates with 141 members. The General Assembly meets annually for a 90-day session beginning on the second Wednesday in January.

The Maryland Constitution requires the Governor to submit to the General Assembly a balanced budget for the following year. The General Assembly cannot increase the budget except in certain organizational units. The budget currently uses a legally mandated budgetary fund structure. Each State agency is provided appropriations at a program level, which is the level at which expenditures cannot legally exceed the appropriations. The State also utilizes an encumbrance system to serve as a tool for managing available appropriations. Maryland maintains its accounts to conform with the legally mandated budget and also to comply with generally accepted accounting principles. Financial control is generally exercised under the budgetary system.

There is a Spending Affordability Committee which consists of certain designated officers of the General Assembly and other members as may be appointed by the President of the Senate and the Speaker of the House of Delegates. Each year the Committee must submit a report to the General Assembly's Legislative Policy Committee and to the Governor recommending the level of State spending, the level of new debt authorization, the level of State personnel and the use of any anticipated surplus funds.

Also, the General Assembly created a Capital Debt Affordability Committee, the members of which are the Treasurer, the Comptroller, the Secretary of Budget and Management, the Secretary of Transportation, and one person appointed by the Governor. This Committee is required to submit to the Governor by October 1 of each year an estimate of the maximum amount of new general obligation debt that prudently may be authorized. The Committee's recent reports encompass all tax supported debt, in addition to the general obligation debt, bonds issued by the Department of Transportation, bonds issued by the Maryland Stadium Authority and capital lease transactions. Although the Committee's responsibilities are advisory only, the Governor is required to give due consideration to the Committee's finding in preparing a preliminary allocation of new general obligation debt authorizations for the next ensuing fiscal year.

Information on the State's Economic Condition:

The national recovery from the "Great Recession" remains muted. The fact that so many economists and pundits continue to refer to this point in time as "economic recovery," six years after the end of the recession, as opposed to an "economic expansion" is telling. Moreover, the fiscal drag from federal budget sequestration and general ongoing federal policy uncertainty continue to restrain growth in Maryland and the region. In other words, the economic picture has not changed much, as such our outlook remains subdued relative to normal periods of economic expansion.

Maryland's economic growth between 2011 and 2014 has been tepid at best, particularly relative to national growth. This, of course, coincides with federal budget sequestration. The private sector began to adjust payrolls immediately, even as the bill was being discussed within Congress. Actual austerity measures were not effective until 2013, at which point the private and public sectors took another hit.

More recently, the "reset" of sequester may be behind us; meaning we are at our new baseline for federal spending and the brunt of the losses may be behind us. That said, the sector will continue to be a drag. The sequester targets, even with the recent moderate increases, do not permit growth in discretionary spending until 2019; therefore an important sector of our economy will remain handicapped. As such, Maryland's economic trajectory will remain muted relative to the national rate until either sequester is lifted or the next recession.

This will also remain a possible positive risk to this forecast. Federal sequester did close to nothing to fix the federal fiscal quagmire. In fact, it may have had a negative effect; as the economic impact of the half measures reduced economic growth without solving longer term spending issues. The real issues for the federal fiscal outlook are entitlements (also related to demographics).

Should Congress address the real problem, and ameliorate or remove the sequester altogether, Maryland will grow at a higher trajectory.

Maryland's economy will expand in 2015 and growth in employment is expected to rise to 1.4% in 2015 from 0.9% in 2014. Further strong growth is expected in 2016 as the tail of the labor recovery completes before the growth rate slows (remaining positive) in 2017. Growth in the average wage for 2015 is expected to equal that of 2014, a somewhat disappointing factor, but related to the reasons that have been discussed throughout this summary. The rate of wage growth is expected to increase throughout the out years as the labor market tightens, but to be sure, that rate of wage growth is low relative to historical norms. Aggregate wage growth and personal income measures increase as employment improves.

Regarding all that has been discussed and the outlook for Maryland's largest general fund revenue source, the income tax, the outlook is relatively stronger. This is due to Maryland's strong concentration of wealthy taxpayers. As has been noted, income growth at the higher end has been substantial (volatile as well), buoying aggregate receipts to growth rates better than 5%.

As usual, risks abound, particularly in light of the recent ISIS attack in Paris. Another attack on western soil, particularly America, might trigger a correction to the stock market that reverberates into the "real" economy. Additionally, Federal Reserve actions to raise interest rates are imminent; there is a risk that the market reacts in a negative manner that gains traction or that the higher rates slow broader growth in such a way that the economy again falters. Oil prices have created a sort of consumer dividend and while low prices seem to have some traction for an extended period of time, higher prices would be a sharp drag to the average consumer.

Positive risks include the aforementioned reduction or abolition of federal sequester, but also expansion from the Port of Baltimore. The Panama Canal widening, which will allow so called "post-Panamax ships" to navigate the Canal, will permit large cargo ships to move from Asia to the East Coast. Currently that cargo is typically delivered to the West Coast and then transported by rail and road throughout the country. Baltimore is one of the few ports with the depth and infrastructure to handle these types of ships and will certainly see increased need for labor and capital. Should there be a meaningful surge in activity and jobs, there will also be indirect and induced impacts.

Major Initiatives and Long Term Financial Planning:

The fiscal year 2016 budget seeks to close an $802 million budget gap caused by several factors. Continued weaker than anticipated revenue growth caused by slow employment and personal income growth has resulted in general fund spending growing faster than revenues. Contributors to the growth in spending include growth in Medicaid enrollment requiring additional funding and an increase in debt service contributions of $134 million. Therefore, the fiscal year 2016 budget holds spending growth below the rate of growth in revenues - a 1.5% growth in general fund spending compared to 3.5% in revenues.

The 2016 budget does include continued funding for economic and workforce development programs, including $20 million in programs to expand existing and attract new business to priority funding areas in Maryland. It also includes $16 million to support small and disadvantaged businesses. Funding is provided to advance technology through $46 million in business tax credits and investments and university research endowments. Funding of $46 million is provided for Workplace Investment Areas and job centers to develop the workforce and $33 million for the Work Opportunities Program to help transition recipients of public assistance to employment.

The education budget includes a $45 million increase in State aid to public schools to $6.1 billion. The 2016 capital budget provides $280 million for the Public School Construction Program. The program for the employment and independence of individuals with disabilities is budgeted at $109 million in fiscal year 2016, an increase of 6% over the prior year. The budget includes $35 million in additional federal funds for school lunch and breakfast programs for a total school nutrition program budget of $354 million in fiscal year 2016, an increase of 11%. Public colleges and universities receive increases in State funding ranging from 1% to 5.8% from the previous year. Local community colleges receive a 1.3% increase in direct aid. The capital budget includes $347 million for modernizing and replacing aging facilities at State-operated campuses and $58 million for community college projects.

The 2016 budget provides $9.6 billion for Maryland's Medicaid program, which currently provides basic health coverage for more than 1.1 million income-eligible Marylanders. The Maryland Children's Health Insurance Program receives $217 million in

fiscal year 2016 to provide access to health care for nearly 115,000 children. The fiscal year 2016 budget provides $39 million for continued operation of the Maryland Health Benefit Exchange and $36 million for the Exchange's information technology system. Funding of $1.0 billion is provided for the developmentally disabled, an increase of 8%. The federal supplemental nutrition assistance program includes funding of $1.2 billion, benefitting 405,000 households. Maryland's Department of Public Safety and Correctional Services budget for fiscal year 2016 totals $1.3 billion, funding the State's correctional facilities, parole and probation programs, and drug treatment and rehabilitation programs. The 2016 budget supports efforts to restore the Chesapeake Bay, protect Maryland's natural resources and environment, assist farmers, and promote energy efficiency, including $279 million in the capital budget for Chesapeake Bay restoration.

Maryland's fiscal year 2016 capital budget totals $4.3 billion. In addition to public school construction, construction at public colleges and universities, and Chesapeake Bay restoration, $2.9 billion is provided for transportation projects. Of this amount, $928 million is expected to be received from federal funds. Highway projects constitute $1.4 billion, including $526 million in federal aid, the largest share of the fiscal year 2016 capital budget. Mass transit's capital budget totals $773 million, with $332 million coming from federal sources. Mass transit projects include $312 million for the Purple Line project (pending review and reevaluation), a proposed 16-mile light rail line running between Montgomery and Prince George's Counties outside Washington, D.C. The Red Line, a proposed 14-mile light rail line between Baltimore City and Baltimore County, was canceled in June; the Maryland Department of Transportation has reached out to community stakeholders and leaders to identify the most important needs to improve transit in the Baltimore Region.

In addition, the Governor is recommending and implementing reforms to limit the size of the State's capital budget. The Capital Improvement Program results in lower debt service costs of $32 million by fiscal year 2020.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Maryland for its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The State of Maryland has received a Certificate of Achievement for the last 35 consecutive years (Fiscal Years ended 1980 – 2014). We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efforts and dedication of the staff of the General Accounting Division with assistance from other personnel from the various departments and agencies of the State.

I will be pleased to furnish additional information on the State's finances upon request.

Sincerely,

Peter Franchot,
Comptroller of Maryland

FINANCIAL SECTION

DOWNTOWN BETHESDA

SB & COMPANY, LLC
EXPERIENCE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Honorable Peter Franchot
Comptroller of Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Maryland (the State), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The State's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain Economic Development Loan Programs; the Maryland Lottery and Gaming Control Agency; the Maryland Transportation Authority; the Economic Development Insurance Programs; certain foundations included in the higher education component units; the Maryland Technology Development Corporation; and the Investment Trust Fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the State, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The financial statements that we did not audit which are listed above represent the percentages of the total assets, total net position, and total revenues of the accompanying financial statements as listed below.

	Percentage of Opinion Unit		
	Total Assets	Total Net Position	Total Operating Revenues
Business-Type Activities			
Major -			
Certain Economic Development Loan Programs	20.2 %	5.6 %	2.2 %
Maryland Lottery and Gaming Control Agency	2.3	0.0	61.0
Maryland Transportation Authority	52.3	49.3	17.6
Non-Major -			
Economic Development Insurance Programs	0.6	1.0	0.0
Total percentage of business-type activities	75.4 %	55.9 %	80.8%
Component Units			
Major -			
Certain foundations included in the higher education component units	13.7 %	17.0 %	10.7
Non-Major -			
Maryland Technology Development Corporation	0.2	0.1	1.6
Total percentage of component units	13.9 %	17.1 %	12.3 %
Fiduciary Funds			
Investment Trust Fund	5.7 %	6.2 %	59.3 %

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the State adopted the new accounting guidance from GASB Statement No. 68, Accounting and Financial Reporting for Pensions, an amendment to GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The beginning balance of the basic financial statements as of July 1, 2014 was restated due to the implementation of above GASB Statements. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; required supplemental schedules of employer contributions and schedule of employers' net pension liability for the Maryland State Retirement and Pension System and Maryland Transit Administration Pension Plan; required supplemental schedule of investment returns for Maryland State Transit Administration Pension Plan; required supplemental schedule of funding progress and schedule of employer contributions for Other Post-employment Benefits Plan and Maryland Transit Administration Retiree Healthcare Benefit; and the respective budgetary comparison for the budgetary general, special and Federal funds as listed in the table of contents to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The combining financial statements, schedules, introductory and statistical sections, and financial schedules required by law, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements, schedules, introductory and statistical sections, and financial schedules required by law is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion and based on the reports of the other auditors The combining financial statements, schedules, introductory and statistical sections, and financial schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections and the financial schedules required by law as listed in table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Hunt Valley, Maryland
December 15, 2015

SB & Company, LLC

Management of the State of Maryland provides this narrative overview and analysis of the financial activities of the State for the fiscal year ended June 30, 2015. Please read it in conjunction with the Comptroller's letter of transmittal, which can be found in the Introductory Section of this report, and the State's financial statements which follow this section.

Financial Highlights

Government-wide

- Maryland reported a deficit of $3.2 billion in fiscal year 2015 and a net position of $9.5 billion in fiscal year 2014.
- Of the deficit in fiscal year 2015, a deficit balance of $23.2 billion was reported as total unrestricted net position, which includes a $25.4 billion deficit balance in governmental activities and a $2.2 billion balance in business-type activities.
- The State's total net position decreased by $12.7 billion as a result of the restatement of beginning net position for the implementation of the new pension standard ($13.2 billion decrease) and this year's operations ($531 million increase). The net position for governmental activities decreased by $12.9 billion. Net position of business-type activities increased by $203 million.
- The State's governmental activities had total expenses of $34.0 billion; total revenues of $33.1 billion; net transfers from business-type activities of $951 million; and a reduction in beginning net position of $13.1 billion for pension-related adjustments for a net decrease of $12.9 billion.
- Business-type activities had total expenditures of $3.5 billion; program revenues of $4.8 billion; general revenues of $16 million; transfers out of $951 million; and a reduction in beginning net position of $191 million for pension-related adjustments for a net increase in net position of $203 million.
- Total State revenues were $38.0 billion, while total costs for all programs were $37.5 billion.

Fund Level

- Governmental funds reported a combined fund balance of $2.0 billion, an increase of $70 million (3.7 %) from the prior year.
- The General Fund reported an unassigned fund balance deficit of $766 million and a remaining fund balance (nonspendable, restricted, and committed) of $2.1 billion, compared to an unassigned fund balance deficit of $916 million and a remaining fund balance of $2.1 billion last year. This represents a net increase of $145 million in General Fund, fund balance. The total unassigned fund balance deficit in the governmental funds was $1.3 billion, in both the current and prior years.
- Governmental funds reported a total nonspendable, restricted, and committed fund balance of $3.3 billion in 2015, compared to $3.2 billion in the prior year.

Long-term Debt

- Total bonds and obligations under long-term leases at year end were $17.5 billion, a net increase of $339 million in 2015 (2.0%) over the prior year.
- $2.0 billion General Obligation Bonds of which $1.0 billion were refunding bonds, and $661 million Transportation Bonds of which $260 million were refunding bonds were issued during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the State of Maryland's basic financial statements. The State's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements (Reporting the State as a Whole)

The government-wide financial statements provide a broad overview of the State's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the State's economic condition at the end of the fiscal year. The statements include all fiscal year revenues and expenses, regardless of whether cash has been received or paid. The government-wide financial statements include two statements.

The *Statement of Net Position* presents all of the State's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as "net position". Over time, increases and decreases in the State's net position may serve as a useful indicator of whether the financial position of the State is improving or deteriorating.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the State.

The above financial statements distinguish between the following three types of state programs or activities:

Governmental Activities – The activities in this section are typically supported by taxes and intergovernmental revenues, i.e., federal grants. Most services normally associated with the State government fall into this category, including the Legislature, Judiciary and the general operations of the Executive Department.

Business-Type Activities – These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. These business-type activities of the State include insurance and loan programs for economic development, the Unemployment Insurance Program, the Maryland Lottery and Gaming Control Agency (MLGCA), the Maryland Transportation Authority and the Maryland Correctional Enterprises, a program which constructs office furnishings utilizing the prisons' inmate population.

Discretely Presented Component Units – The government-wide statements include operations for which the State has financial accountability, but are legally separate entities. Financial information for these component units is reported separately from the financial information presented for the primary government. The component unit activities include Higher Education, the College Savings Plans of Maryland and other non-major proprietary activities. All of these entities operate similarly to private sector business and to the business-type activities described above. The component unit Higher Education consists of the University System of Maryland, Morgan State University, St. Mary's College and Baltimore City Community College and certain affiliated foundations. The non-major component units include the Maryland Food Center Authority, Maryland Environmental Service, Maryland Industrial Development Financing Authority, Maryland Technology Development Corporation and Maryland Stadium Authority.

Complete financial statements of the individual component units can be obtained from the Comptroller of Maryland, LLG Treasury Building, Annapolis, Maryland 21404.

This report includes two schedules (pages 31 and 33) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities (accrual accounting) on the government-wide statements. The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities are not reported on governmental fund statements.
- Certain tax revenues that are earned and other assets that are not available to pay for current period expenditures are deferred in governmental fund statements, but are recognized on the government-wide statements.
- Other amounts that otherwise meet the definition of a revenue or expense that relate to a future period are deferred only on the government-wide statements.
- Unless currently due and payable, long-term liabilities, such as capital lease obligations, compensated absences, litigation, and bonds and notes payable, only appear as liabilities in the government-wide statements.
- Capital outlays result in capital assets on the government-wide statements, but are reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Certain other transactions represent either increases or decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental fund statements.

The government-wide financial statements can be found on pages 26 - 29 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The State's funds can be divided into three categories: governmental, enterprise, and fiduciary. Each of these categories uses a different accounting approach.

Governmental funds – Most of the basic services provided by the State are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the State's near-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the State's near-term financing requirements. These statements provide a detailed short-term view of the State's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the State.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the State's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the pages immediately following the governmental funds financial statements.

The State maintains five governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Department of Transportation-special revenue fund, both of which are considered to be major funds. Data from the remaining three governmental funds are combined into a single, aggregated presentation. Data for the non-major governmental funds, namely, the debt service fund for general obligation bonds, the debt service fund for transportation revenue bonds and the capital projects fund, are provided in the form of combining statements elsewhere in this report. These funds are reported using modified accrual accounting, which measures cash and all other assets which can be readily converted to cash. The basic governmental funds financial statements can be found on pages 30 and 32 of this report.

Enterprise funds – Enterprise funds are used to show activities that operate similar to activities of commercial enterprises. These funds charge fees for services provided to outside customers including local governments. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. There is no reconciliation needed between the government-wide business-type financial statements for business-type activities and the enterprise fund financial statements because they both utilize accrual accounting, the same method used for business in the private sector.

The State has six enterprise funds, four of which are considered to be major enterprise funds. These funds are: Economic Development – Loan Programs, the Unemployment Insurance Program, the Maryland Lottery and Gaming Control Agency and the Maryland Transportation Authority. Data for the non-major enterprise funds, Economic Development – Insurance Programs and Maryland Correctional Enterprises, are combined into a single aggregated presentation. Individual fund data for these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

The basic enterprise funds financial statements can be found on pages 36 – 40 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the state government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are restricted in purpose and are not available to support the State's own programs. Fiduciary funds use accrual accounting.

The State's fiduciary funds include the Pension and Other Employee Benefits Trust Funds (Pension Trust), the Investment Trust Fund, the Postretirement Health Benefits Trust Fund (OPEB Trust) and Agency Funds. The Pension and Other Employee Benefits Trust Funds consist of the Retirement and Pension System, the Maryland Transit Administration Pension Plan and the Deferred Compensation Plan. The Postretirement Health Benefits Trust Fund accumulates funds to assist with the costs of the State's postretirement health insurance subsidy. The Investment Trust Fund accounts for the transactions, assets, liabilities and net position of an external investment pool. Agency funds account for the assets held for distribution by the State as an agent for other governmental units, organizations or individuals. Individual fund detail for the fiduciary funds can be found in the combining financial statements.

The basic fiduciary funds financial statements can be found on pages 41 – 42 of this report.

Combining Financial Statements, Component Units – The government-wide financial statements present information for the component units in a single aggregated column in the Statement of Net Position and the Statement of Activities. Combining Statement of Net Position and Combining Statement of Activities have been provided for the Component Unit Proprietary Funds and provide detail for each major proprietary component unit, with a combining column for the non-major component units. Individual financial statement information for the non-major component units is provided elsewhere in this report.

The combining financial statements for the component units can be found on pages 44 – 46 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 48 – 113 of this report.

Required Supplementary Information

The required supplementary information includes budgetary comparison schedules for the budgetary general, special and federal funds, along with a reconciliation of the statutory and Accounting Principles Generally Accepted in the United States of America (GAAP) General and Special Revenue Fund, fund balances at fiscal year end. This report also presents certain required supplementary information concerning the State's progress in funding obligations to provide pension benefits and other post-employment benefits and includes a footnote concerning budgeting and budgetary control. Required supplementary information immediately follows the notes to the financial statements.

Other Supplementary Information

Combining Financial Statements

The combining financial statements referred to earlier in connection with non-major governmental, enterprise, and fiduciary funds and non-major component units are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

The State's combined net position (governmental and business-type activities) totaled $3.2 billion deficit at the end of 2015 and $9.5 billion balance at the end of 2014.

Net Position as of June 30,

(Expressed in Millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets……	$ 6,169	$ 6,176	$ 8,168	$ 8,147	$ 14,337	$ 14,323
Capital assets……..…	21,586	20,819	5,830	5,546	27,416	26,365
Total assets……..	27,755	26,995	13,998	13,693	41,753	40,688
Total deferred outflows of resources..	2,154	200	50	31	2,204	231
Long-term liabilities……..	33,585	19,743	5,787	5,750	39,372	25,493
Other liabilities……..	4,999	4,959	919	878	5,918	5,837
Total liabilities…….	38,584	24,702	6,706	6,628	45,290	31,330
Total deferred inflows of resources…	1,798	52	76	33	1,874	85
Net position:						
Net invested in capital assets……..	14,738	14,313	3,071	2,781	17,809	17,094
Restricted……	233	214	1,982	2,074	2,215	2,288
Unrestricted……	(25,444)	(12,086)	2,213	2,208	(23,231)	(9,878)
Total net position……...….	$ (10,473)	$ 2,441	$ 7,266	$ 7,063	$ (3,207)	$ 9,504

The largest portion of the State's net position, $17.8 billion, reflects investment in capital assets such as land, buildings, equipment and infrastructure, less any related debt to acquire those assets that is still outstanding, as adjusted by any deferred inflows or deferred outflows of resources. The State uses these capital assets to provide services to citizens. Consequentially, these assets are not available for future spending. Although the State's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, a portion of the State's net position, $2.2 billion, represents resources that are subject to external restrictions or enabling legislation on how they may be used. The remaining balance for unrestricted net position, a deficit of $23.2 billion, reflects the State's expenses over revenues.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the State's net position changed during the fiscal year.

Changes in Net Position

For the Year Ended June 30,

(Expressed in Millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 3,202	$ 3,339	$ 4,723	$ 4,466	$ 7,925	$ 7,805
Operating grants and contributions	10,263	9,056	125	302	10,388	9,358
Capital grants and contributions	775	826			775	826
General revenues:						
Income taxes	9,446	8,804			9,446	8,804
Sales and use taxes	4,412	4,200			4,412	4,200
Motor vehicle taxes	2,383	2,197			2,383	2,197
Tobacco taxes	391	402			391	402
Insurance company taxes	506	475			506	475
Property taxes	1,003	973			1,003	973
Estate & inheritance taxes	267	238			267	238
Other taxes	307	314			307	314
Unrestricted investment earnings	187	213	16	4	203	217
Total revenues	33,142	31,037	4,864	4,772	38,006	35,809
Expenses:						
General government	862	832			862	832
Health and mental hygiene	11,996	11,078			11,996	11,078
Education	7,766	7,970			7,766	7,970
Aid for higher education	2,201	2,043			2,201	2,043
Human resources	2,545	2,585			2,545	2,585
Public safety	2,034	2,101			2,034	2,101
Transportation	3,611	3,504			3,611	3,504
Judicial	699	662			699	662
Labor, licensing and regulation	325	334			325	334
Natural resources and recreation	276	213			276	213
Housing and community development	267	294			267	294
Environment	109	103			109	103
Agriculture	89	98			89	98
Business and economic development	100	105			100	105
Intergovernmental grants	600	541			600	541
Interest	476	516			476	516
Economic development insurance programs			3	5	3	5
Economic development loan programs			448	410	448	410
Unemployment insurance program			680	925	680	925
Maryland Lottery and Gaming Control Agency			1,846	1,701	1,846	1,701
Maryland Transportation Authority			490	469	490	469
Maryland Correctional Enterprises			52	51	52	51
Total expenses	33,956	32,979	3,519	3,561	37,475	36,540
Increase (decrease) in net position before transfers	(814)	(1,942)	1,345	1,211	531	(731)
Transfers	951	884	(951)	(884)		
Change in net position	137	(1,058)	394	327	531	(731)
Net position - beginning, as restated	(10,610)	3,499	6,872	6,736	(3,738)	10,235
Net position - ending	$ (10,473)	$ 2,441	$ 7,266	$ 7,063	$ (3,207)	$ 9,504

The following table compares financial information from the Government-wide Statement of Activities for this and the prior fiscal year to indicate how the State's revenues and expenses changed from year to year.

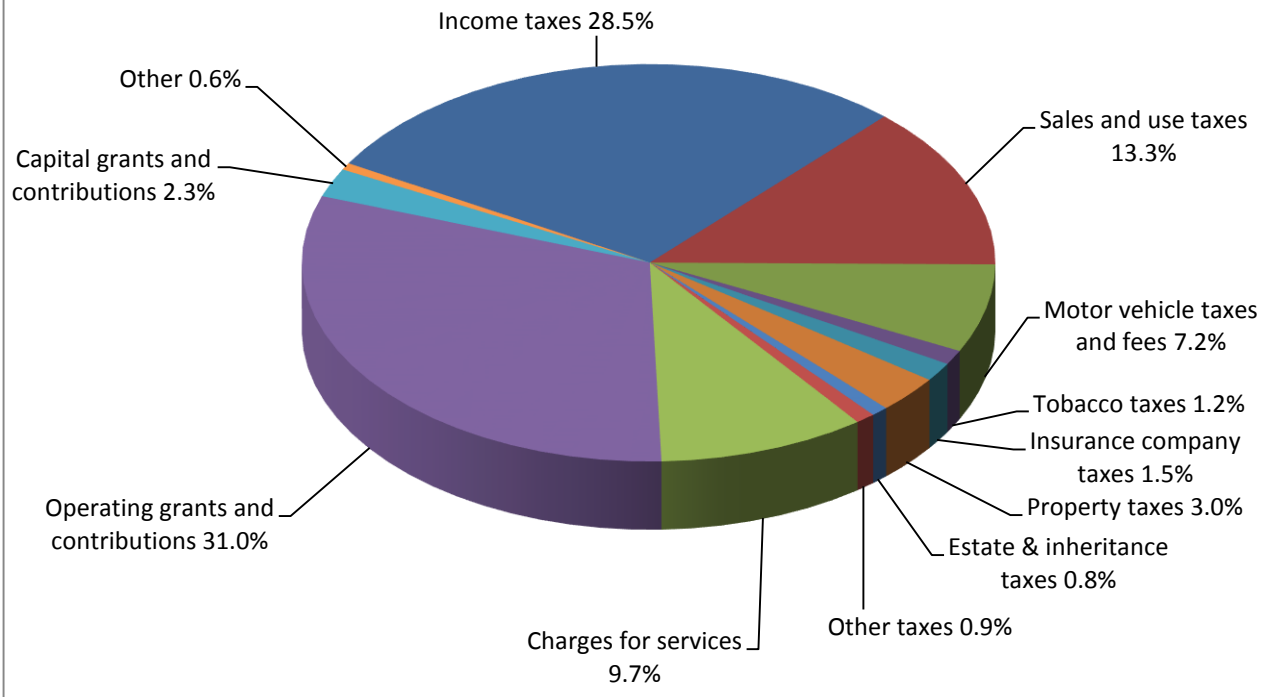
Analysis of Changes in Net Position

For the Year Ended June 30, 2015, Compared to June 30, 2014

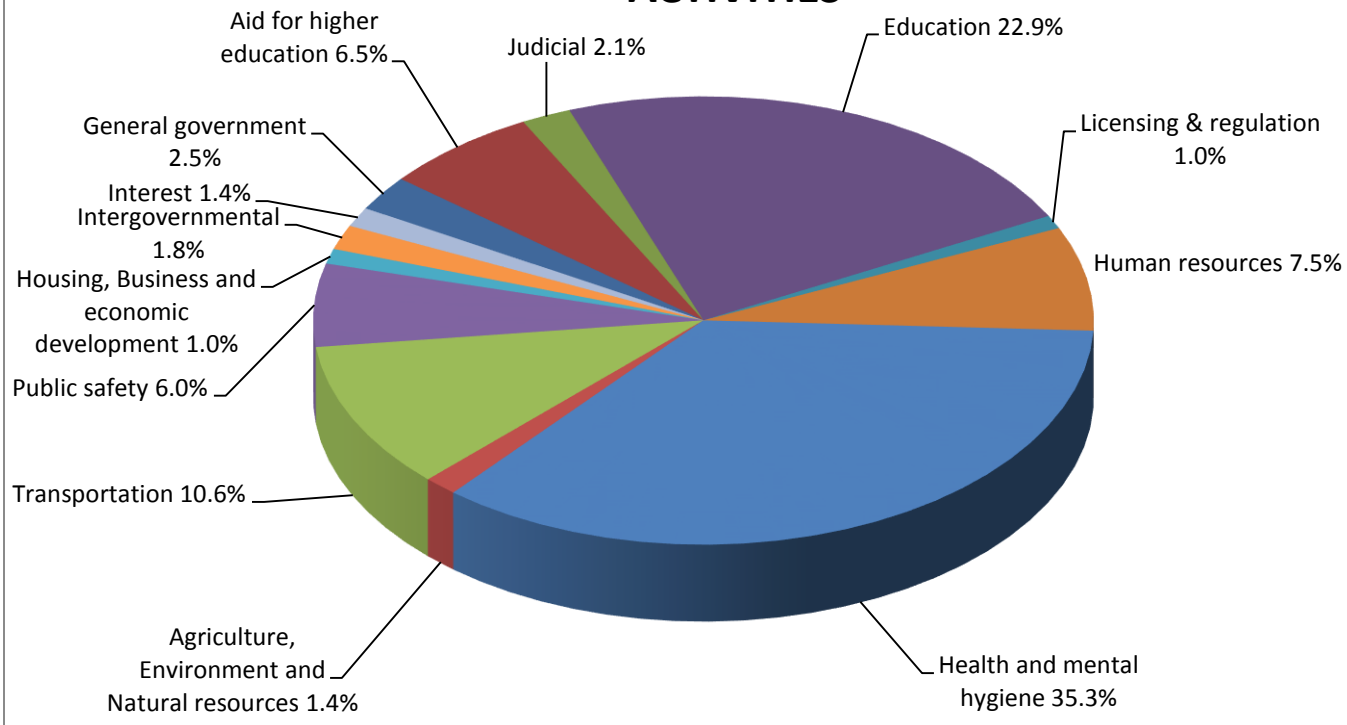
(Expressed in Millions)

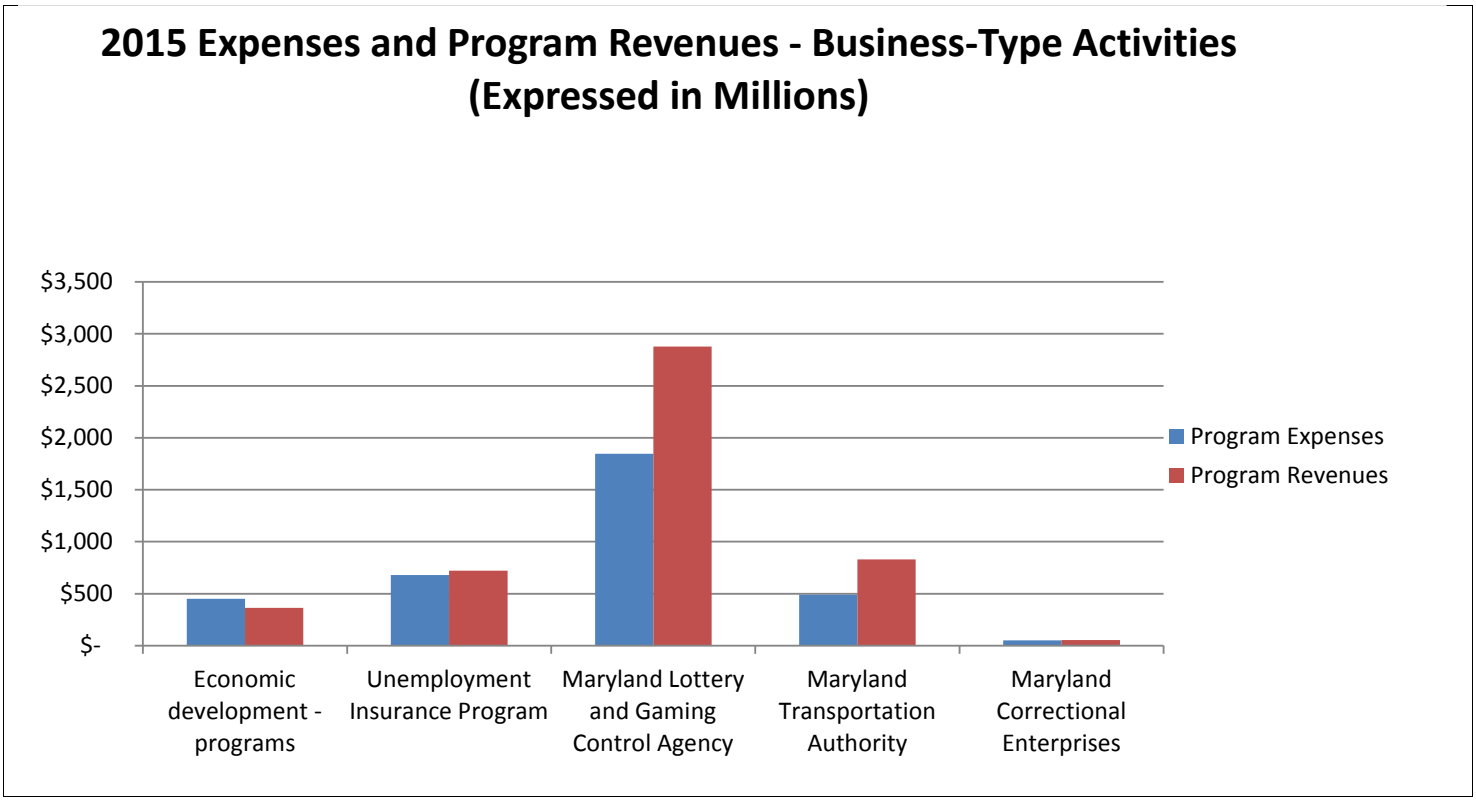
	Governmental Activities		Business-type Activities		Total Primary Government	
Revenues:	Amount of Increase/ (Decrease)	Percentage of Increase/ (Decrease)	Amount of Increase/ (Decrease)	Percentage of Increase/ (Decrease)	Amount of Increase/ (Decrease)	Percentage of Increase/ (Decrease)
Program revenues:						
Charges for services	$ (137)	-4.1%	$ 257	5.8%	$ 120	1.5%
Operating grants and contributions	1,207	13.3%	(177)	-58.6%	1,030	11.0%
Capital grants and contributions	(51)	-6.2%			(51)	-6.2%
General revenues:						
Income taxes	642	7.3%			642	7.3%
Sales and use taxes	212	5.0%			212	5.0%
Motor vehicle taxes	186	8.5%			186	8.5%
Tobacco taxes	(11)	-2.7%			(11)	-2.7%
Insurance company taxes	31	6.5%			31	6.5%
Property taxes	30	3.1%			30	3.1%
Estate & inheritance taxes	29	12.2%			29	12.2%
Other taxes	(7)	-2.2%			(7)	-2.2%
Unrestricted investment earnings	(26)	-12.2%	12	300.0%	(14)	6.5%
Total revenues	2,105	6.8%	92	1.9%	2,197	6.1%
Expenses:						
General government	30	3.6%			30	3.6%
Health and mental hygiene	918	8.3%			918	8.3%
Education	(204)	-2.6%			(204)	-2.6%
Aid for higher education	158	7.7%			158	7.7%
Human resources	(40)	-1.5%			(40)	-1.5%
Public safety	(67)	-3.2%			(67)	-3.2%
Transportation	107	3.1%			107	3.1%
Judicial	37	5.6%			37	5.6%
Labor, licensing and regulation	(9)	-2.7%			(9)	-2.7%
Natural resources and recreation	63	29.6%			63	29.6%
Housing and community development	(27)	-9.2%			(27)	-9.2%
Environment	6	5.8%			6	5.8%
Agriculture	(9)	-9.2%			(9)	-9.2%
Business and economic development	(5)	-4.8%			(5)	-4.8%
Intergovernmental grants	59	10.9%			59	10.9%
Interest	(40)	-7.8%			(40)	-7.8%
Economic development insurance programs			(2)	-40.0%	(2)	-40.0%
Economic development loan programs			38	9.3%	38	9.3%
Unemployment insurance program			(245)	-26.5%	(245)	-26.5%
Maryland Lottery and Gaming Control Agency			145	8.5%	145	8.5%
Transportation Authority			21	4.5%	21	4.5%
Maryland Correctional Enterprises			1	2.0%	1	2.0%
Total expenses	$977	3.0%	($42)	-1.2%	$935	2.6%

2015 REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES


Income taxes 28.5%
Other 0.6%
Capital grants and contributions 2.3%
Sales and use taxes 13.3%
Motor vehicle taxes and fees 7.2%
Tobacco taxes 1.2%
Insurance company taxes 1.5%
Property taxes 3.0%
Estate & inheritance taxes 0.8%
Other taxes 0.9%
Charges for services 9.7%
Operating grants and contributions 31.0%

2015 EXPENSES BY FUNCTION - GOVERNMENTAL ACTIVITIES





Governmental Activities

- Liabilities and deferred inflows exceeded assets and deferred outflows by $10.5 billion at the end of fiscal year 2015, resulting in a decrease in net position of $12.9 billion from the previous year.

- Comprising the decrease in net position, capital assets increased by $767 million and long-term liabilities increased by $13.8 billion. The major capital asset events are discussed in the Capital Assets section of this analysis. Among the components of the increase in long-term liabilities were increases in bonds and notes payable ($522 million); the State's net pension liability in the current year in excess of the net pension obligation in the prior year ($12.9 billion); net other post-employment benefits obligation (OPEB) ($203 million); and capital leases ($14 million). The increase in bonds and notes payable is discussed in the Long-Term Debt section of this analysis. The increase for the net pension liability is the result of the implementation of a new accounting standard for reporting the pension liability and is not due to a significant change in the size or funding of the liability from the prior year; it is discussed in the Restatement of Current Year Balances section and in Note 15 to the financial statements. The increase in the net OPEB obligation resulted from the underfunding of the OPEB annual required contribution. The additions to capital leases were primarily for transportation related projects.

Business-type Activities

Business-type activities increased the State's net position by $1.3 billion before transfer of $951 million to governmental activities and a reduction in beginning net position of $191 million for pension-related adjustments, for a net increase of $203 million in net position. The increase compares to an increase of $1.2 billion before transfers of $884 million in the prior year. Key elements of this increase are as follows:

- Net position of the Maryland Transportation Authority increased by $175 million compared to an increase of $340 million in the prior year. Net operating income was $442 million compared to $435 million in the prior year. The decrease in beginning net position for pension-related adjustments in fiscal year 2015 was $168 million.

- The Unemployment Insurance Program net position increased by $41 million in 2015. Net position decreased by $45 million in 2014. Operating activities resulted in a deficit of $1 million compared to the prior year's operating deficit of $266 million. Charges for services (unemployment taxes) increased by $20 million (3.1%) and benefit payments were reduced by $245 million (26.4%). Both the amount of taxes paid by Maryland employers and the amount of benefits received by the unemployed are products of the economic climate. Federal payments for extended benefits and other programs decreased by $179 million (89.6%).

- Net assets for the Economic Development Loan Programs increased by $3 million compared to an increase of $30 million in the prior year. This resulted primarily from activity in the Maryland Water Quality Administration and Housing Loan Program funds. Net operating income of the Loan Programs decreased by $58 million, primarily for an increase in Bay Restoration Fund grants by the Water Quality Administration of $77 million. General fund transfers to support the operations of the Housing Loan Program increased by $22 million.

- Lottery tickets sales were $1.8 billion in 2015, an increase from $1.7 billion in the prior year. In 2015, MLGCA oversaw the operation of five casinos, including one which opened in fiscal year 2015. As a result, gross video lottery terminal and table game revenue was $1.0 billion in 2015, an increase of $204 million (24.5%) over the prior year. Operating expenses increased by $146 million (8.6%) in 2015. The major reason for the increase was related to increased commissions paid to casino operators. Transfers to governmental activities by MLGCA were $1.0 billion in 2015, an increase of $84 million (9.0%) over 2014.

Financial Analysis of the State's Funds

As of the end of the current fiscal year, the State's governmental funds reported a combined fund balance of $2.0 billion, an increase of $70 million from the prior year. The combined fund balance includes a deficit of $1.3 billion in unassigned for governmental funds, including a deficit of $766 million for the General Fund and a deficit of $512 million for the other governmental funds. The remainder of the fund balance is nonspendable, restricted, or committed based on the constraints on the specific purposes for which amounts in that fund can be spent. The remainder of the fund balance is 1) unspendable because it is in the form of prepaid items, inventories and long-term loans and notes receivable ($712 million); 2) restricted by outside parties or to pay debt service on general obligation bonds and transportation bonds from specific taxes ($233 million); or 3) committed to legislated purposes or encumbered as committed fund balance based on the constraints and approval in place at year end or where appropriate when existing resources are not sufficient to liquidate encumbrances ($2.3 billion). Included in committed fund balance is $780 million in the "State Reserve Fund" which is set aside to meet future financial needs in circumstances that are not expected to occur routinely. By law, the Governor must appropriate to the State Reserve Fund, the General Fund surplus of the second preceding fiscal year that exceeds $10,000,000.

General Fund

The General Fund is the major operating fund of the State. At the end of the current fiscal year, the unassigned fund balance deficit of the General Fund was $766 million, while total fund balance was $1.3 billion. The fund balance of the State's General Fund increased by $145 million during 2015, compared to a decrease of $220 million for 2014. Revenues increased by $1.9 billion (7.3%) to $28.4 billion while expenditures increased by $1.4 billion (5.2%) to $28.9 billion.

The increase in total revenue was primarily composed of $1.2 billion from Federal revenue, a 13.4% increase from the prior year, primarily for a full year of new medical care provider reimbursement programs and increased enrollment due to health care changes under the Patient Protection and Affordable Care Act. Income taxes increased by $675 million (7.7%) from 2014 as issues associated with the federal "fiscal cliff" were resolved and more income was recognized in the tax year 2014.

General Fund expenditures increased by $1.4 billion. Expenditures for health and mental hygiene increased by $848 million (7.6%), primarily for increased Medicaid enrollment as a result of the Affordable Care Act.

Transfers in to the General Fund were $1.1 billion this year, the same amount as the prior year, consisting primarily of $1.0 billion and $942 million, respectively, transferred from MLGCA. Transfers out from the General Fund were $440 million this year compared to $402 million for the prior year. This increase was due primarily to an increase of $57 million to supplement revenues of the general obligation debt service fund.

Special Revenue Fund

The Maryland Department of Transportation special revenue fund accounts for resources used for operation of the State's transportation activities, not including debt service and pension activities. The fund balance of the Department's special revenue fund was $356 million as of June 30, 2015, an increase of $1 million compared to an increase of $51 million in the prior fiscal year. Revenues increased by $173 million (4.7%), expenditures increased by $296 million (7.6%), and other sources of financial resources increased by $72 million. The increase in revenues was primarily from an increase in motor vehicle taxes and fees of $187 million (8.5%) as a result of greater fuel usage resulting from lower average gasoline prices. The increase in expenditures was primarily from an increase in capital outlays. The increase in other sources of financial resources was substantially due to an increase in bond issues made during the year, including premiums received and net of amounts paid to refund previously issued debt ($106 million).

Budgetary Highlights

Differences between the original budget and final amended budget, and the final budget and actual expenditures for the year are summarized for the General Fund as follows. The budgetary schedule may be found in the Required Supplementary Information Section.

Overall, the change between the original and final amended General Fund budget was a decrease of $96 million, or .6%. The variance in Budget and Management, $62 million, is primarily due to the reallocation of $37 million for a 2% Cost of Living Adjustment effective January 1, 2015 and cost containment reductions of $21 million.

The difference between the final budget, $16.1 billion, and actual expenditures, $15.9 billion, was $156 million, or 1.0%. Of this amount, $54 million was returned to the General Fund, and $102 million was encumbered for future spending. The variance within the Department of Legislative Services ($13 million) was primarily due to encumbrances for capital items for legislative buildings. For Financial and Revenue Administration, the variance included canceled appropriations of $5 million for the Homeowner's Tax Credit Program and $5 million for a bond payment to pay for Video Lottery Terminal (VLT) machines and a renegotiated VLT leasing contract which lowered the rate paid per machine. The variance for Business and Economic Development ($14 million) was primarily attributable to encumbered funds for marketing, small business assistance, and grants, largely stem cell research grants. Juvenile Services actual spending decreased for a decrease in residential youth per diem payments and encumbrances for future spending for an IT system upgrade for case management and capital projects.

Significant Differences between Original Budget, Final Budget, and Actual Amounts

for the year ended June 30, 2015 (Expressed in Thousands)

General Fund

	Original Budget	Final Budget	Original versus Final budget	Percentage Change	Actual Amounts	Final Budget versus Actual	Percentage Change
Expenditures and encumbrances by function:							
Payments of revenue to civil divisions of the State	$163,456	$155,467	($7,989)	-4.9%	$155,397	$70	0.0%
Public debt	140,000	140,000	-	0.0%	140,000	-	0.0%
Legislative	90,947	91,416	469	0.5%	78,768	12,648	13.8%
Judicial review and legal	565,797	566,918	1,121	0.2%	539,961	26,957	4.8%
Executive and administrative control	249,794	253,279	3,485	1.4%	249,464	3,815	1.5%
Financial and revenue administration	271,147	269,203	(1,944)	-0.7%	255,691	13,512	5.0%
Budget and management	120,322	57,991	(62,331)	-51.8%	54,531	3,460	6.0%
General services	62,854	61,666	(1,188)	-1.9%	59,416	2,250	3.6%
Natural resources and recreation	55,100	75,776	20,676	37.5%	74,332	1,444	1.9%
Agriculture	27,811	27,002	(809)	-2.9%	26,594	408	1.5%
Health, hospitals and mental hygiene	4,111,359	4,103,637	(7,722)	-0.2%	4,071,149	32,488	0.8%
Human resources	639,274	622,572	(16,702)	-2.6%	621,196	1,376	0.2%
Labor, licensing and regulation	48,383	47,722	(661)	-1.4%	43,516	4,206	8.8%
Public safety and correctional services	1,173,053	1,176,825	3,772	0.3%	1,162,965	13,860	1.2%
Public education	7,752,719	7,755,336	2,617	0.0%	7,723,012	32,324	0.4%
Housing and community development	17,292	15,647	(1,645)	-9.5%	11,816	3,831	24.5%
Business and economic development	109,194	101,468	(7,726)	-7.1%	86,988	14,480	14.3%
Environment	37,400	34,350	(3,050)	-8.2%	33,068	1,282	3.7%
Juvenile services	295,284	286,578	(8,706)	-2.9%	268,913	17,665	6.2%
State police	248,474	245,406	(3,068)	-1.2%	245,286	120	0.0%
State reserve fund	19,714	14,785	(4,929)	-25.0%	14,785	-	0.0%
Reversions	(30,000)	(30,000)	-	0.0%	-	(30,000)	100.0%
Total expenditures and encumbrances	$16,169,374	$16,073,044	$ (96,330)	-0.6%	$15,916,848	$ 156,196	1.0%

Capital Assets and Debt Administration

Capital assets

At June 30, 2015, the State had invested $27.4 billion (net of accumulated depreciation) in a broad range of capital assets (see table below). Depreciation expense for the fiscal year totaled $1.3 billion ($1.2 billion for governmental activities and $123 million for business-type activities). The increase in the State's investment in capital assets, net of depreciation expense, for the current fiscal year was $1.1 billion (an increase of $767 million for governmental activities and an increase of $284 million for business-type activities).

Capital Assets as of June 30,

(Net of Depreciation, Expressed in Millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and improvements……	$ 3,452	$ 3,378	$ 392	$ 392	$ 3,844	$ 3,770
Art and historical treasures……	23	22			23	22
Structures and improvements……	3,676	3,627	125	89	3,801	3,716
Equipment……	863	864	87	38	950	902
Infrastructure……	9,422	9,426	3,874	3,586	13,296	13,012
Construction in progress…….	4,150	3,502	1,352	1,441	5,502	4,943
Total……..	$ 21,586	$ 20,819	$ 5,830	$ 5,546	$ 27,416	$ 26,365

Major capital asset events during the current fiscal year for governmental activities include continued widening and/or expansion of existing highways and bridges, and various transit, port and motor vehicle administration construction projects; the preservation of agricultural and open space land through the purchase of easements; veterans cemetery improvements; improvements to the statewide telecommunications network including One Maryland broadband wiring and high speed data network wiring; energy efficiency improvements in State buildings; software developments for Statewide personnel system and Department of Human Resources; construction of a new visitor center and improvements to recreation and park facilities under the Department of Natural Resources; construction of a new juvenile facility; renovations of the Military Department Armories; acquisition of helicopters for the State Police; and building improvements at correctional facilities and at the Department of Health and Mental Hygiene. Elements of the increase in capital assets of business-type activities include preservation of the Inter-County Connector (ICC/MD200) and expansion of the electronic toll lane (ETL) project on the JFK Memorial Highway (I-95), which resulted in an increase in infrastructure, and the restoration of existing facilities.

Additional information on the State's capital assets can be found in footnote 10 of this report.

Long-term debt

The State is empowered by law to authorize, issue and sell general obligation bonds, which are backed by the full faith and credit of the State. The State also issues dedicated revenue bonds for the Department of Transportation and various business-type activities. The payment of principal and interest on revenue bonds comes solely from revenues received from the respective activities. This dedicated revenue debt is not backed by the State's full faith and credit.

At June 30, 2015, the State had outstanding bonds totaling $16.4 billion. Of this amount, $8.7 billion were general obligation bonds, backed by the full faith and credit of the State. The remaining $7.7 billion were secured solely by the specified revenue sources.

Outstanding Bond Debt as of June 30,

(Expressed in Millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds (backed by the State)……..	$ 8,677	$ 8,362			$ 8,677	$ 8,362
Transportation Bonds (backed by specific revenues)…..	2,020	1,813			2,020	1,813
Revenue bonds (backed by specific revenues)……..			$ 5,721	$ 5,940	5,721	5,940
Total…….	$ 10,697	$ 10,175	$ 5,721	$ 5,940	$ 16,418	$ 16,115

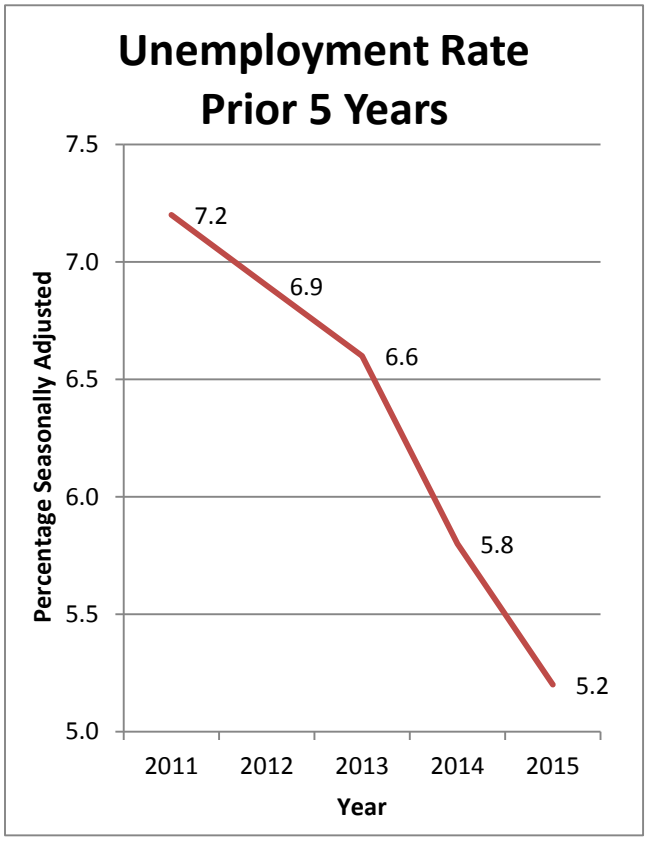
The total increase in bonded debt in the current fiscal year was $303 million ($315 million increase related to general obligation bonds, $207 million increase related to transportation bonds, and $219 million decrease related to revenue bonds). The State's general obligation bonds are rated Aaa by Moody's and AAA by Standard and Poors and Fitch. During fiscal year 2015, the State issued general obligation debt totaling $2.0 billion at a premium of $351 million. Of this amount, $1.0 billion and related premium of $204 million were for refunding bonds. On August 3, 2015 (fiscal year 2016), the State issued general obligation bonds aggregating $500 million for capital improvements.

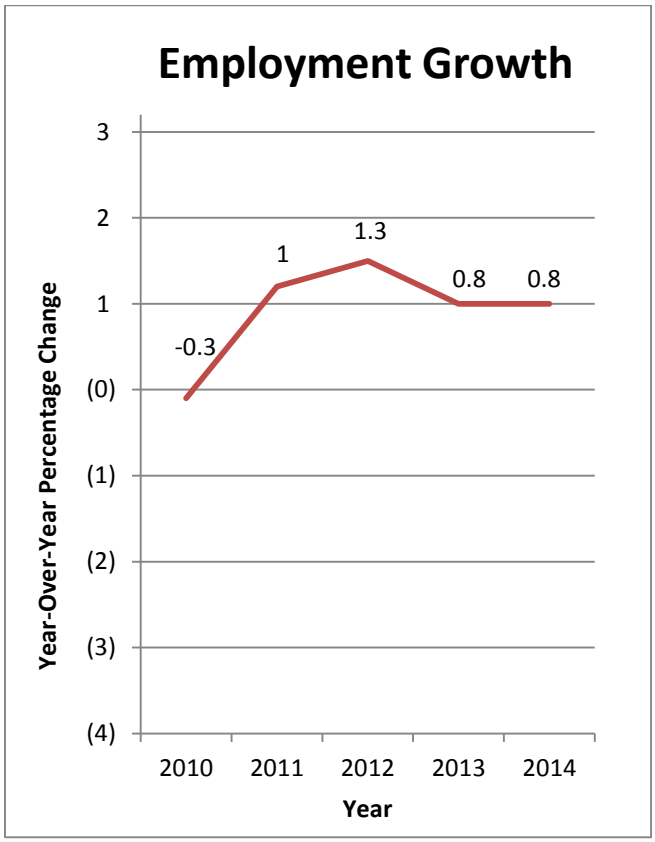
State law limits the amount of Consolidated Transportation Bonds, dedicated revenue debt that may be outstanding as of June 30 to the amount authorized in the budget, and this amount may not exceed $4.5 billion. The aggregate principal amount of these bonds that was authorized to be outstanding as of June 30, 2015, was $2.5 billion. The actual amount in Consolidated Transportation Bonds outstanding was $2.0 billion.

Additional information on the State's long-term debt can be found in footnote 11 of this report.

Economic Factors and Next Year's Budget

The forecast of the Maryland economy by the Board of Revenue Estimates is the basis for Maryland's revenue outlook. Employment growth of 1.5% and 1.3% is expected in calendar years 2015 and 2016, respectively. The unemployment rate was 5.2% in June 2015 and has continued a downward trend since 2011. Historical employment growth and the unemployment rate for the past five years are depicted below.





Growth in personal income of 4.2% and 4.6% in calendar years 2015 and 2016, respectively, is expected. General fund revenues are estimated to increase by 3.5% in fiscal year 2016.

Maryland's budget in fiscal year 2016 is $40.3 billion, a 1% increase over 2015. Key provisions of the budget include:

- Appropriations to the Reserve Fund and debt service fund from the general fund are $135 million and $134 million, respectively;
- State agency expenditures decline by 1% from the original fiscal year 2015 appropriation;
- Rates for most Medicaid providers are reduced to fiscal year 2014 levels;
- State employee salaries are rebased and frozen, and full-year savings from the fiscal year 2015 Voluntary Separation Program total $30 million;
- Repealing repayment of a prior year transfer from Program Open Space by the general fund saves the general fund 50 million;
- General fund revenues of $72 million are realized by redirecting transfer tax and Chesapeake Bay 2010 Trust Fund revenues and from implementing tax compliance and fraud initiatives.

Restatement of Current Year Balances for New Governmental Accounting Standards

In the current fiscal year, the State implemented Statement No. 68 of the Governmental Accounting Standards Board which requires changes to the State's pension accounting and reporting. Note 1 to the financial statements identifies these changes and adjustments to the beginning net position on the Government-wide Statement of Activities.

Requests for Information

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the General Accounting Division, Office of the Comptroller, P.O. Box 746, Annapolis, Maryland, 21404.

BASIC FINANCIAL STATEMENTS

MCKELDIN MALL

UNIVERSITY OF MARYLAND, COLLEGE PARK

STATE OF MARYLAND
Statement of Net Position
June 30, 2015
(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash	$ 196,123	$ 106,776	$ 302,899	$ 166,931
Equity in pooled invested cash	1,139,697	673,869	1,813,566	2,100,456
Investments	372,865	752,113	1,124,978	951,421
Endowment investments				263,894
Foundation investments				1,202,483
Inventories	120,296	18,791	139,087	12,056
Prepaid items	575,001		575,001	8,773
Taxes receivable, net	1,442,528		1,442,528	
Intergovernmental receivables	1,104,219		1,104,219	
Tuition contracts receivable				239,229
Due from primary government				16,126
Due from component units	690		690	
Other accounts receivable	813,234	85,189	898,423	400,066
Loans and notes receivable, net	17,566	1,183,401	1,200,967	72,743
Investment in direct financing leases		443,294	443,294	140,559
Other assets	7,246	11,041	18,287	24,419
Collateral for lent securities	139,952		139,952	
Restricted assets:				
Cash	55,580	1,640,837	1,696,417	53,829
Equity in pooled invested cash	135,184	83,334	218,518	
Investments	22,927	812,374	835,301	9,319
Taxes receivable, net	24,159		24,159	
Loans and notes receivable	1,579	2,063,280	2,064,859	
Other accounts receivable	352	293,961	294,313	
Capital assets, net of accumulated depreciation:				
Land	3,452,271	392,110	3,844,381	198,297
Art and historical treasures	22,482		22,482	
Structures and other improvements	3,676,415	125,019	3,801,434	4,927,107
Equipment	862,960	86,395	949,355	475,187
Infrastructure	9,422,245	3,874,236	13,296,481	218,877
Construction in progress	4,149,877	1,351,992	5,501,869	622,757
Total capital assets	21,586,250	5,829,752	27,416,002	6,442,225
Total assets	27,755,448	13,998,012	41,753,460	12,104,529
Deferred outflows of resources	2,153,745	49,954	2,203,699	156,206

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Bank overdrafts		$ 2,492	$ 2,492	
Salaries payable	$ 277,254		277,254	$ 192,903
Vouchers payable	627,444		627,444	
Accounts payable and accrued liabilities	2,381,916	371,154	2,753,070	231,145
Internal balances	(188,331)	188,331		
Due to primary government				690
Due to component units	10,217		10,217	
Accounts payable to political subdivisions	140,538		140,538	
Unearned revenue	262,104	27,051	289,155	233,560
Interest rate swaps		13,172	13,172	
Accrued insurance on loan losses		12,828	12,828	1,910
Other liabilities				1,523
Collateral obligations for lent securities	139,952		139,952	
Bonds and notes payable:				
Due within one year	926,719	255,585	1,182,304	121,482
Due in more than one year	11,107,835	5,465,778	16,573,613	1,362,661
Other noncurrent liabilities:				
Due within one year	421,674	49,209	470,883	245,037
Due in more than one year	22,476,950	320,523	22,797,473	1,782,298
Total liabilities	38,584,272	6,706,123	45,290,395	4,173,209
Deferred inflows of resources	1,797,699	76,475	1,874,174	432,869
Net Position				
Net investment in capital assets	14,737,916	3,070,913	17,808,829	4,757,329
Restricted for:				
Debt service	216,916	102,770	319,686	2,270
Capital improvements		16	16	2,614
Higher education-nonexpendable				798,717
Higher education-expendable				630,918
Unemployment compensation benefit		1,151,535	1,151,535	
Loan programs		643,651	643,651	69,350
Insurance programs		83,344	83,344	
Other	16,487		16,487	
Unrestricted (deficit)	(25,444,098)	2,213,139	(23,230,95)	1,393,459
Total net position	$ (10,472,779)	$ 7,265,368	$ (3,207,411)	$ 7,654,657

The accompanying notes to the financial statements are an integral part of this financial statement.

STATE OF MARYLAND
Statement of Activities
For the Year Ended June 30, 2015
(Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenues and Changes in Net Assets: Primary Government: Business-type Activities	Net (Expense) Revenues and Changes in Net Assets: Primary Government: Total	Component Units
Primary government -								
Governmental activities:								
General government	$ 861,601	$ 657,548	$ 68,302	$ 7,689	$ (128,063)		$ (128,063)	
Health and mental hygiene	11,995,583	1,223,465	6,532,940		(4,239,178)		(4,239,178)	
Education	7,765,925	48,360	1,136,568		(6,580,997)		(6,580,997)	
Aid for higher education	2,200,669	24,681	2,178		(2,173,810)		(2,173,810)	
Human resources	2,544,917	47,380	1,837,149		(660,388)		(660,388)	
Public safety	2,034,175	98,679	106,001	20,980	(1,808,515)		(1,808,515)	
Transportation	3,610,810	652,820	92,238	741,846	(2,123,906)		(2,123,906)	
Judicial	699,116	277,001	4,500		(417,614)		(417,614)	
Labor, licensing and regulation	325,179	39,068	159,803		(126,308)		(126,308)	
Natural resources and recreation	275,936	43,865	26,377	4,090	(201,604)		(201,604)	
Housing and community development	266,523	15,267	254,325		3,069		3,069	
Environment	109,349	44,358	25,782		(39,210)		(39,210)	
Agriculture	89,464	12,012	4,020		(73,433)		(73,433)	
Business and economic development	100,264	15,658	1,473		(83,133)		(83,133)	
Intergovernmental grants and revenue sharing	600,362				(600,362)		(600,362)	
Interest	475,805	1,754	11,483		(462,568)		(462,568)	
Total governmental activities	33,955,678	3,201,916	10,263,139	774,605	(19,716,020)		(19,716,020)	
Business-type activities:								
Economic development - insurance programs	2,838	2,047	868			$ 77	77	
Economic development - general loan programs	16,817	9,795	7,271			249	249	
Economic development - water quality loan programs	251,636	149,234	40,633			(61,769)	(61,769)	
Economic development - housing loan programs	179,393	122,447	31,900			(25,046)	(25,046)	
Unemployment insurance program	680,420	679,346	41,738			40,664	40,664	
Maryland Lottery and Gaming Control Agency	1,845,837	2,877,945				1,032,108	1,032,108	
Maryland Transportation Authority	489,859	827,759	2,309			340,209	340,209	
Maryland Correctional Enterprises	52,627	54,057				1,430	1,430	
Total business-type activities	3,519,427	4,722,630	124,719			1,327,922	1,327,922	
Total primary government	37,475,105	7,924,546	10,387,858	774,605	(19,716,020)	1,327,922	(18,388,098)	
Component Units-								
Higher education	$ 5,042,518	$ 2,389,106	$ 1,379,584	$ 301,994				$ (971,834)
Maryland Prepaid College Trust	119,439	59,719						(59,720)
Other component units	244,634	192,766	46,532					(5,336)
Total component units	$ 5,406,591	$ 2,641,591	$ 1,426,116	$ 301,994				(1,036,890)

General revenues:				
Income taxes	9,445,934		9,445,934	
Sales and use taxes	4,412,308		4,412,308	
Motor vehicle taxes	2,383,505		2,383,505	
Tobacco taxes	391,452		391,452	
Insurance company taxes	505,991		505,991	
Property taxes	1,002,787		1,002,787	
Estate & inheritance taxes	266,809		266,809	
Other taxes	306,505		306,505	
Grants and contribution not restricted to specific programs				1,373,439
Unrestricted investment earnings	186,926	15,785	202,711	83,612
Additions to permanent endowments				53,907
Transfers	950,831	(950,831)		
Total general revenues, additions to permanent endowments, and transfers	19,853,048	(935,046)	18,918,002	1,510,958
Changes in net position	137,028	392,876	529,903	474,068
Net position, beginning of the year, as restated	(10,609,807)	6,872,492	(3,737,315)	7,180,589
Net position, end of the year	$ (10,472,779)	$ 7,265,368	$ (3,207,411)	$ 7,654,657

The accompanying notes to the financial statements are an integral part of this financial statement.

STATE OF MARYLAND
Balance Sheet
Governmental Funds
June 30, 2015
(Expressed in Thousands)

	General	Special Revenue Maryland Department of Transportation	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash	$ 196,123			$ 196,123
Equity in pooled invested cash	830,378	$ 309,319		1,139,697
Investments			$ 372,865	372,865
Prepaid items	470,510	104,491		575,001
Taxes receivable, net	1,301,817	140,711		1,442,528
Intergovernmental receivables	870,389	230,652		1,101,041
Other accounts receivable	764,485	48,749		813,234
Due from other funds	241,070	130,416		371,486
Due from component units	690			690
Inventories	26,940	93,356		120,296
Loans and notes receivable, net	17,566			17,566
Collateral for lent securities	139,952			139,952
Other assets	911			911
Restricted assets:				
Cash		12,808		12,808
Cash with fiscal agent			42,772	42,772
Equity in pooled invested cash			135,184	135,184
Investments	10,057		12,870	22,927
Taxes receivable, net			24,159	24,159
Other accounts receivable			352	352
Loans and notes receivable, net			1,579	1,579
Total assets	$ 4,870,888	$ 1,070,502	$ 589,781	$ 6,531,171
Liabilities:				
Salaries payable	244,733	32,521		277,254
Vouchers payable	455,761	78,825	92,858	627,444
Accounts payable and accrued liabilities	1,183,306	352,881	38,155	1,574,342
Due to other funds	725,771	8,009	99,375	833,155
Due to component units	10,217			10,217
Accounts payable to political subdivisions	69,922	57,918	12,698	140,538
Unearned revenue	113,842	45,822		159,664
Accrued self-insurance costs	122,147			122,147
Collateral obligations for lent securities	139,952			139,952
Total liabilities	3,065,651	575,976	243,086	3,884,713
Deferred inflows of resources	521,284	138,261		659,545
Fund balances:				
Nonspendable	514,051	197,847		711,898
Restricted	16,487		216,916	233,403
Committed	1,519,539	158,418	641,740	2,319,697
Unassigned	(766,124)		(511,961)	(1,278,085)
Total fund balances	1,283,953	356,265	346,695	1,986,913
Total liabilities and fund balances	$ 4,870,888	$ 1,070,502	$ 589,781	$ 6,531,171

The accompanying notes to the financial statement are an integral part of this financial statement.

STATE OF MARYLAND
Reconciliation of the Governmental Funds' Fund Balance to the Statement of Net Position, Net Position Balance
June 30, 2015
(Expressed in Thousands)

Amounts reported for governmental activities in the Statement of Net Position (pages 26-27)	
differ from the amounts for the governmental funds' fund balances because of:	
Amount in governmental funds, fund balance (page 30)	$ 1,986,913
Capital assets used in governmental activities are not financial resources	
and, therefore, are not reported in the funds	21,586,250
Taxes and other receivables that will not be available to pay for current period	
expenditures and, therefore, are deferred in the funds	659,545
Accrued interest payable on bonds and capital leases are not liquidated	
with current financial resources in the governmental funds	(157,573)
Other long-term assets not available to pay for current period expenditures	(92,929)
Deferred outflows of resources not recognized as current period expenditures	2,153,745
Deferred inflows of resources not recognized as current period revenues	(1,797,699)
Long-term liabilities are not due and payable in the current period	
and, therefore are not reported in the funds:	
General Obligation Bonds	(8,677,214)
Premiums to be amortized over the life of the debt	(1,123,650)
Transportation Bonds	(2,020,250)
Premiums to be amortized over the life of the debt	(213,440)
Accrued self-insurance costs	(232,394)
Accrued annual leave	(405,720)
Pension liabilities	(16,456,262)
Other post-employment benefits liability	(4,434,645)
Pollution remediation	(169,257)
Obligation under capital leases	(929,679)
Obligations under capital leases with component units	(140,559)
Agricultural land preservation installment obligations	(7,961)
Net Position of governmental activities (page 26 and 27)	$ (10,472,779)

The accompanying notes to the financial statements are an integral part of this financial statement.

STATE OF MARYLAND
Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds
For the Year Ended June 30, 2015
(Expressed in Thousands)

	General	Special Revenue: Maryland Department of Transportation	Other Governmental Funds	Total Governmental Funds
Revenues:				
Income taxes	$ 9,418,584			$ 9,418,584
Sales and use taxes	4,410,080			4,410,080
Motor vehicle taxes		$ 2,383,505		2,383,505
Tobacco taxes	391,452			391,452
Insurance company taxes	505,991			505,991
Property taxes	266,300		$ 736,486	1,002,786
Estate & inheritance taxes	266,809			266,809
Other taxes	306,505			306,505
Other licenses and fees	641,478			641,478
Charges for services	1,562,196	570,697		2,132,893
Interest and other investment income	61,938	2,090	2,039	66,067
Federal revenue	10,188,633	833,040	11,483	11,033,156
Other	373,876	61,665	3,474	439,015
Total revenues	28,393,844	3,850,997	753,482	32,998,322
Expenditures:				
Current:				
General government	852,646			852,646
Health and mental hygiene	12,007,975			12,007,975
Education	7,569,455		309,708	7,879,163
Aid to higher education	1,825,093		375,557	2,200,650
Human resources	2,543,937			2,543,937
Public safety	1,972,570			1,972,570
Transportation		1,719,153		1,719,153
Judicial	689,975			689,975
Labor, licensing and regulation	322,158			322,158
Natural resources and recreation	232,514			232,514
Housing and community development	266,912			266,912
Environment	107,103			107,103
Agriculture	75,226			75,226
Business and economic development	100,030			100,030
Intergovernmental grants and revenue sharing	364,409	743,672	235,953	1,344,034
Capital outlays		1,746,878	163,470	1,910,348
Debt service:				
Principal retirement			810,783	810,783
Interest			440,063	440,063
Bond issuance costs	800	265	6,298	7,363
Total expenditures	28,930,802	4,209,968	2,341,833	35,482,602
Excess (Deficiency) of revenues over (under) expenditures	(536,958)	(358,971)	(1,588,351)	(2,484,280)
Other financing sources (uses):				
Capital leases	3,676	40,000		43,676
Bonds issued		401,535	1,022,625	1,424,160
Refunding bonds issued		259,715	1,015,075	1,274,790
Bond premium		91,558	350,766	442,324
Advanced lease payments		(34,267)		(34,267)
Payments to refunded bond escrow agent		(301,255)	(1,245,801)	(1,547,056)
Transfers in	1,117,818	223,936	424,735	1,766,489
Transfers out	(439,907)	(321,125)	(54,626)	(815,658)
Total other sources (uses) of financial resources	681,587	360,097	1,512,773	2,554,458
Net changes in fund balances	144,629	1,126	(75,577)	70,178
Fund balances, beginning of the year	1,139,325	355,139	422,272	1,916,736
Fund balances, end of the year	$ 1,283,953	$ 356,265	$ 346,695	$ 1,986,913

The accompanying notes to the financial statements are an integral part of this financial statement.

STATE OF MARYLAND
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

(Expressed in Thousands)

Amounts reported for governmental activities in the Statement of Net Activities (pages 28-29) are different from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds because of the following:		
Net change in fund balances - total governmental funds (page 32)		$ 70,178
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.		
Capital outlays	$ 1,990,947	
Depreciation expense	(1,212,950)	777,997
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		
Net loss on disposals and trade-ins		(10,577)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Deferred inflows of resources for taxes are recognized net of revenue already recognized in the prior year	29,578	
Deferred inflows of resources for other revenues are recognized, net of revenue already recognized in the prior year	(1,661,642)	
Revenues from deferred outflows are recognized, net of revenue already recognized in the prior year	289,854	(1,342,210)
The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long term debt and related items.		
Debt issued, General Obligation Bonds	(973,235)	
Debt issued, Transportation Bonds	(359,995)	
Capital lease financing	(38,855)	
Premiums, discounts and deferred outflows of resources on refundings	(195,333)	
Principal repayments:		
General Obligation Bonds	658,368	
Transportation Bonds	152,415	
Capital leases	46,752	(709,883)
Some expenses reported in the Statement of Activities (net of expenses already recognized in the prior year) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Accrued interest	219	
Compensated absences	(13,598)	
Self-insurance	966	
Net pension liability	1,566,895	
Other post-employment benefits liability	(202,904)	
Pollution remediation liabilities	1,607	
Agricultural Land Preservation obligations	(1,662)	1,351,523
Change in net position of governmental activities (page 29)		$ 137,028

The accompanying notes to the financial statements are an integral part of this financial statement.

TREASURY DEPARTMENT
COMPTROLLER'S OFFICE
CRESCITE ET MULTIPLICAMINI

STATE OF MARYLAND

ENTERPRISE FUND FINANCIAL STATEMENTS

Major Funds

Economic Development Loan Programs

This fund includes the direct loan programs of the Maryland Departments of Housing and Community Development, Business and Economic Development and Environment.

Unemployment Insurance Program

This fund reflects the transactions, assets, liabilities and net position of the Unemployment Insurance Program and is used to account for the unemployment assessments collected from employers, Federal revenue received and remittance of benefits to the unemployed.

Maryland Lottery and Gaming Control Agency

This fund accounts for the operation of the State Lottery and the regulation of the operation of the Video Lottery Terminal and table game casinos.

Maryland Transportation Authority

This fund accounts for the activity of the Maryland Transportation Authority, which is responsible for the operation and maintenance of toll roads, bridges and tunnels in the State.

Non-Major Funds

Other Enterprise Funds

Individual non-major enterprise funds are presented in the combining section following the footnotes.

STATE OF MARYLAND
Statement of Fund Net Position
Enterprise Funds
June 30, 2015

(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Program	Maryland Lottery and Gaming Control Agency	Maryland Transportation Authority	Other Enterprise Funds	Total
Assets-						
Current assets:						
Cash	$ 21,278		$ 2,225	$ 83,273		$ 106,776
Equity in pooled invested cash	472,170		190,304		$ 11,395	673,869
Investments	5,215			659,432		664,647
Other accounts receivable	18,351		33,422	26,474	6,942	85,189
Due from other funds	66,177	$ 2,291		4,444		72,912
Inventories				5,451	13,340	18,791
Loans and notes receivable, net	61,460				182	61,642
Investment in direct financing leases				27,844		27,844
Other assets			51	50	796	897
Current restricted assets:						
Cash	488,184	2,504	4,071	143,447		638,206
Cash on deposit with U.S. Treasury		1,002,631				1,002,631
Equity in pooled invested cash					83,334	83,334
Investments	164,237		7,386			171,623
Loans and notes receivable, net	91,452					91,452
Other accounts receivable	107,745	185,138	1,076			293,959
Total current assets	1,496,269	1,192,564	238,535	950,415	115,989	3,993,772
Non-current assets:						
Investments	85,439				2,027	87,466
Loans and notes receivable, net	1,121,614				145	1,121,759
Investment in direct financing leases				415,450		415,450
Other assets				10,144		10,144
Restricted non-current assets:						
Investments	390,054		29,918	220,779		640,751
Loans and notes receivable, net	1,971,828					1,971,828
Other accounts receivable	2					2
Capital assets, net of accumulated depreciation:						
Land				392,110		392,110
Structures and improvements				122,388	2,631	125,019
Equipment	54		61,756	20,897	3,688	86,395
Infrastructure				3,874,236		3,874,236
Construction in progress				1,351,992		1,351,992
Total non-current assets	3,568,991		91,674	6,407,996	8,491	10,077,152
Total assets	5,065,260	1,192,564	330,209	7,358,411	124,480	14,070,924
Deferred outflows of resources	13,172		2,514	32,738	1,530	49,954

STATE OF MARYLAND
Statement of Fund Net Position
Enterprise Funds
June 30, 2015

(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Program	Maryland Lottery and Gaming Control Agency	Maryland Transportation Authority	Other Enterprise Funds	Total
Liabilities-						
Current liabilities:						
Bank overdrafts		$ 2,492				$ 2,492
Accounts payable and accrued liabilities	$ 103,588	38,537	$ 44,340	$ 182,288	$ 2,401	371,154
Due to other funds	2,531		174,346	84,366		261,243
Accrued insurance on loan losses	926				11,902	12,828
Other liabilities	9,795		21,160	17,014	1,240	49,209
Unearned revenue	24		2,213	23,395	1,419	27,051
Revenue bonds and notes payable - current	141,050			114,535		255,585
Total current liabilities	257,914	41,029	242,059	421,598	16,962	979,562
Non-current liabilities:						
Interest rate swaps	13,172					13,172
Other liabilities	25,995		88,406	194,249	11,873	320,523
Revenue bonds and notes payable	2,347,976			3,117,802		5,465,778
Total non-current liabilities	2,387,143		88,406	3,312,051	11,873	5,799,473
Total liabilities	2,645,057	41,029	330,465	3,733,649	28,835	6,779,035
Deferred inflows of resources	121		1,502	73,845	1,007	76,475
Net Position-						
Net investment in capital assets	54		1,042	3,063,498	6,319	3,070,913
Restricted for:						
Debt service				102,770		102,770
Capital improvements				16		16
Unemployment compensation benefits		1,151,535				1,151,535
Loan programs	643,651					643,651
Insurance programs					83,344	83,344
Unrestricted	1,789,549		(286)	417,371	6,505	2,213,139
Total net position	$ 2,433,254	$ 1,151,535	$ 756	$ 3,583,655	$ 96,168	$ 7,265,368

The accompanying notes to the financial statements are an integral part of these financial statements.

STATE OF MARYLAND
Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2015
(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Program	Maryland Lottery and Gaming Control Agency	Maryland Transportation Authority	Other Enterprise Funds	Total
Operating revenues:						
Lottery ticket sales			$ 1,760,866			$ 1,760,866
Charges for services and sales	$ 138,600	$ 679,346	1,046,593	$ 826,191	$ 55,523	2,746,253
Loan and grant recoveries	3,782					3,782
Unrestricted interest on loan income	18,049				529	18,578
Restricted interest on loan income	102,261					102,261
Other	10,426		66,263	1,568	52	78,309
Total operating revenues	273,118	679,346	2,873,722	827,759	56,104	4,710,049
Operating expenses:						
Prizes and claims			1,051,486			1,051,486
Commissions and bonuses			667,596			667,596
Cost of sales and services			29,689		42,252	71,941
Operation and maintenance of facilities				236,183		236,183
General and administrative	54,242		85,581	37,628	10,971	188,422
Benefit payments		680,420				680,420
Capital grant distributions	258,153					258,153
Depreciation and amortization	14		9,828	112,177	1,135	123,154
Provision for insurance on loan losses	21,836				1,041	22,877
Other	16,991					16,991
Total operating expenses	351,236	680,420	1,844,180	385,988	55,399	3,317,223
Operating income (loss)	(78,118)	(1,074)	1,029,542	441,771	705	1,392,826
Non-operating revenues (expenses):						
Unrestricted interest and other investment income	12,333			3,452		15,785
Restricted interest and other investment income	31,915	21,099	(1,016)	2,309	868	55,175
Interest expense	(96,275)		(641)	(101,568)		(198,484)
Federal grants and distributions	47,853	20,639				68,492
Other	8,059		4,223	(2,303)	(66)	9,913
Total non-operating revenues (expenses)	3,885	41,738	2,566	(98,110)	802	(49,119)
Income (loss) before capital contributions and transfers	(74,233)	40,664	1,032,108	343,661	1,507	1,343,707
Transfers in	83,374					83,374
Transfers out	(6,122)		(1,026,204)		(1,879)	(1,034,205)
Change in net position	3,019	40,664	5,904	343,661	(372)	392,876
Total net position - beginning, as restated	2,430,235	1,110,871	(5,148)	3,239,994	96,540	6,872,492
Total net position – ending	$ 2,433,254	$ 1,151,535	$ 756	$ 3,583,655	$ 96,168	$ 7,265,368

The accompanying notes to the financial statements are an integral part of these financial statements.

STATE OF MARYLAND
Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2015
(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Programs	Maryland Lottery and Gaming Control Agency	Maryland Transportation Authority	Other Enterprise Funds	Total
Cash flows from operating activities:						
Receipts from customers	$ 100,705	$ 681,124	$ 2,829,108	$ 831,998	$ 52,042	$ 4,494,977
Payments to suppliers	(2,072)		(97,442)	(128,147)	(39,020)	(266,681)
Payments to employees	(24,539)		(23,164)	(146,246)	(17,897)	(211,846)
Other receipts	141,879			122,404	548	264,831
Other payments	(317,186)	(686,036)	(667,593)	(143,306)	(1,500)	(1,815,621)
Lottery prize payments			(1,052,302)			(1,052,302)
Net cash from operating activities	(101,213)	(4,912)	988,607	536,703	(5,827)	1,413,358
Cash flows from non-capital financing activities:						
Proceeds from the sale of revenue bonds	220,368			67,200		287,568
Payment on revenue bonds	(421,885)			(53,285)		(475,170)
Interest payments	(108,489)			(22,603)		(131,092)
Proceeds from loans		(6,651)				(6,651)
Transfers in	78,348					78,348
Transfers out	(6,122)		(918,671)		(1,879)	(926,672)
Grants	53,161	20,639				73,800
Lottery installment payments			(10,807)			(10,807)
Net cash from non-capital financing activities	(184,619)	13,988	(929,478)	(8,688)	(1,879)	(1,110,676)
Cash flows from capital and related financing activities:						
Proceeds from notes payable and revenue bonds				132,204		132,204
Principal paid on notes payable and revenue bonds				(149,045)		(149,045)
Interest payments			(641)	(111,013)		(111,654)
Proceeds from sales of capital assets				1,945		1,945
Acquisition of capital assets	(33)		(1,043)	(327,950)	(546)	(329,572)
Payment of capital lease obligations			(20,527)			(20,527)
Net cash provided from capital and related financing activities	(33)		(22,211)	(453,859)	(546)	(476,649)
Cash flows from investing activities:						
Receipts from collections of loans	245,630					245,630
Receipts from sales of debt instruments of other entities	556,650		10,807	864,805		1,432,262
Interest received as returns on loans	153,181					153,181
Interest received on debt instruments of other entities	16,986	21,099		5,158	868	44,111
Disbursements for loans	(294,940)					(294,940)
Disbursements for debt instruments of other entities	(539,534)			(1,055,407)		(1,594,941)
Net cash provided by investing activities	137,973	21,099	10,807	(185,444)	868	(14,697)
Net change in cash and cash equivalents	(147,892)	30,175	47,725	(111,288)	(7,384)	(188,664)
Balance - beginning of the year	1,129,524	974,960	148,875	338,008	102,113	2,693,480
Balance - end of the year	$ 981,632	$ 1,005,135	$ 196,600	$ 226,720	$ 94,729	$ 2,504,816

STATE OF MARYLAND
Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2015
(Continued)
(Expressed in Thousands)

	Economic Development Loan Programs	Unemployment Insurance Programs	Maryland Lottery and Gaming Control Agency	Maryland Transportation Authority	Other Enterprise Funds	Total
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	$ (78,118)	$ (1,074)	$ 1,029,542	$ 441,771	$ 705	$ 1,392,826
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation and amortization	14		9,828	112,177	1,135	123,154
Interest received as returns on loans	(151,820)				1,007	(150,813)
Deferred inflows of resources			1,502	18,768	(363)	19,907
Deferred outflows of resources			(2,514)	(2,456)		(4,970)
Recoveries on loans	(3,133)					(3,133)
Effect of changes in assets and liabilities:						
Other accounts receivable	15,583	1,562	(2,810)	(2,421)	(3,167)	8,747
Due from other funds	1,768	216		(760)		1,224
Inventories				(245)	(3,081)	(3,326)
Loans and notes receivable	99,389			(26,330)	25	73,084
Other assets	(1,102)		4	1,060	(296)	(334)
Accounts payable and accrued liabilities	2,977	(5,616)	(45,485)	(2,260)	106	(50,278)
Due to other funds	2,093			13,027		15,120
Accrued insurance on loan losses	5,132				(556)	4,576
Other liabilities	6,003		(1,194)	(15,535)	(1,028)	(11,754)
Unearned revenue	1		(266)	(93)	(314)	(672)
Total adjustments	(23,095)	(3,838)	(40,935)	94,932	(6,532)	20,532
Net cash provided (used) by operating activities	$ (101,213)	$ (4,912)	$ 988,607	$ 536,703	$ (5,827)	$ 1,413,358
Noncash transactions (amounts expressed in thousands):						
Unrealized gain(loss) on investments	$ 5,075		$ (1,017)			
Loans converted to investments	2,154					
Additions to capital assets			63,867	$ 25,285		

The accompanying notes to the financial statements are an integral part of these financial statements.

STATE OF MARYLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015
(Expressed in Thousands)

	Pension and Other Employee Benefits Trust Funds	Investment Trust Fund	Postretirement Health Benefits Trust Fund	Agency Funds
Assets:				
Cash	$ 1,133,263			$ 68,196
Equity in pooled invested cash	5,829			1,059,479
Investments:				
U.S. Treasury and agency obligations	4,198,795	$ 2,443,143	$ 20,330	
Bonds	4,505,724		47,433	
Corporate equity securities	15,527,030		178,271	
Commercial paper		286,113		
Mortgage related securities	1,905,877			
Mutual funds	2,477,670	544,551		
Guaranteed investment contracts	774,659			
Real estate	2,697,044		27,134	
Annuity contracts	85,938			
Private equity	3,656,731			
Commingled fund	11,371,544			
Securities lent with cash collateral	1,308,762			
Total investments	48,509,774	3,273,807	273,168	
Taxes receivable, net				203,109
Intergovernmental receivable				17
Other receivables	1,115,545	244		
Accounts receivable from state treasury				650,000
Collateral for lent securities	1,343,488			
Total assets	52,107,899	3,274,051	273,168	1,980,801
Liabilities:				
Accounts payable and accrued liabilities	1,357,112	261		157,448
Accounts payable to political subdivisions				1,823,353
Collateral obligation for lent securities	1,343,488			
Total liabilities	2,700,600	261		1,980,801
Net position:				
Held in trust for:				
Pension benefits	46,027,685			
Deferred compensation benefits	3,379,613			
Local Government Investment Pool participants		3,273,790		
Postretirement health benefits			273,168	
Total net position	$ 49,407,298	$ 3,273,790	$ 273,168	$ -

The accompanying notes to the financial statements are an integral part of this financial statement.

STATE OF MARYLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015
(Expressed in Thousands)

	Pension and Other Employee Benefits Trust Funds	Investment Trust Fund	Postretirement Health Benefits Trust Fund
Additions:			
Contributions:			
Employers	$ 1,168,070		$ 449,755
Members	908,902	$ 6,812,673	
Sponsors	728,931		
Total contributions	2,805,903	6,812,673	449,755
Investment earnings:			
Net increase in fair value of investments	70,188		1,546
Interest	285,095	2,762	154
Dividends	1,420,987		
Total investment earnings	1,776,270	2,762	1,700
Less: investment expense	347,080	942	135
Net investment earnings	1,429,190	1,820	1,565
Total addition	4,235,093	6,814,493	451,320
Deductions:			
Benefit payments	3,514,701		449,750
Distributions to participants		1,815	
Redemptions (unit transactions at $1.00 per unit)		6,661,176	
Refunds	48,245		
Administrative expenses	35,863		
Total deductions	3,598,809	6,662,991	449,750
Change in net position	636,285	151,502	1,570
Net position – beginning	48,771,013	3,122,288	271,598
Net position - ending	$ 49,407,298	$ 3,273,790	$ 273,168

The accompanying notes to the financial statements are an integral part of this financial statement.

STATE OF MARYLAND

COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

Higher Education

Higher education consists of the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and Baltimore City Community College and certain of their foundations. Because the universities and colleges are similar in nature and function, they have been combined and presented as a single component unit. The financial information for certain foundations affiliated with the universities and colleges has not been included in this fund in accordance with GASB Statement No. 14 as amended by GASB Statement No. 39.

Maryland Prepaid College Trust

The Maryland Prepaid College Trust is a program of the College Savings Plans of Maryland and directed by the Board to provide a means for payment of the cost of tuition and mandatory fees in advance of enrollment at eligible institutions of higher education.

Non-Major Component Units

Other Component Units

Non-major component units are presented individually in the combining section following the footnotes.

STATE OF MARYLAND
Combining Statement of Net Position
Component Units
June 30, 2015
(Expressed in Thousands)

	Higher Education	Maryland Prepaid College Trust	Other Component Units	Total
Assets:				
Cash	$ 90,682	$ 17,065	$ 59,184	$ 166,931
Equity in pooled invested cash	2,024,297	69	76,090	2,100,456
Investments	9,709	924,260	17,452	951,421
Endowment investments	263,894			263,894
Foundation investments	1,202,483			1,202,483
Tuition contracts receivable	57,091	182,138		239,229
Other accounts receivable	373,446	1,821	24,799	400,066
Due from primary government			16,126	16,126
Inventories	12,056			12,056
Prepaid items	8,773			8,773
Loans and notes receivable, net	67,425		5,318	72,743
Investments in direct financing leases			140,559	140,559
Other assets	13,512		10,907	24,419
Restricted assets:				
Cash	53,635		194	53,829
Investments	4,819		4,500	9,319
Capital assets (net of accumulated depreciation):				
Land	187,242		11,055	198,297
Structures and improvements	4,779,510		147,597	4,927,107
Infrastructure	218,505		372	218,877
Equipment	459,804	45	15,338	475,187
Construction in progress	622,103		654	622,757
Total assets	10,448,986	1,125,398	530,145	12,104,529
Deferred outflows of resources	154,422	155	1,629	156,206
Liabilities:				
Salaries payable	192,903			192,903
Accounts payable and accrued liabilities	152,644	328	78,173	231,145
Due to primary government	690			690
Unearned revenue	213,476	15,705	4,379	233,560
Accrued insurance on loan losses			1,910	1,910
Other liabilities	1,304		219	1,523
Bonds and notes payable:				
Due within one year	98,191		23,291	121,482
Due in more than one year	1,188,253		174,408	1,362,661
Other noncurrent liabilities:				
Due within one year	115,742	85,086	44,209	245,037
Due in more than one year	1,011,943	728,705	41,650	1,782,298
Total liabilities	2,975,146	829,824	368,239	4,173,209
Deferred inflows of resources	431,741	97	1,031	432,869

	Higher Education	Maryland Prepaid College Trust	Other Component Units	Total
Net position:				
Net investment in capital assets	$ 4,660,380	$ 45	$ 96,904	$ 4,757,329
Restricted:				
Debt service			2,270	2,270
Capital improvements and deposits		2,577	37	2,614
Nonexpendable:				
Scholarships and fellowships	342,130			342,130
Research	10,651			10,651
Other	445,936			445,936
Expendable:				
Debt service	4,702			4,702
Capital projects	4,950			4,950
Loans and notes receivable	69,350			69,350
Scholarships and fellowships	154,831			154,831
Research	112,206			112,206
Other	354,229			354,229
Unrestricted	1,037,156	293,010	63,293	1,393,459
Total net position	$ 7,196,521	$ 295,632	$ 162,504	$ 7,654,657

The accompanying notes to the financial statements are an integral part of this financial statement.

STATE OF MARYLAND
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2015
(Expressed in Thousands)

	Higher Education	Maryland Prepaid College Trust	Other Component Units	Total
Expenses:				
General and administrative		$ 2,636	$ 27,779	$ 30,415
Operation and maintenance of facilities	$ 372,205		156,031	528,236
Provision for insurance on loan losses, net			100	100
Instruction	1,330,405			1,330,405
Research	959,279			959,279
Public service	153,912			153,912
Academic support	442,071			442,071
Student services	237,727			237,727
Institutional support	501,794			501,794
Scholarships and fellowships	120,391			120,391
Tuition benefits		116,766		116,766
Auxiliary	596,437			596,437
Hospitals	193,069			193,069
Interest on long-term debt	49,498		9,405	58,903
Depreciation and amortization		37	21,297	21,334
Foundation expenses	85,679			85,679
Other	51		30,022	30,073
Total expense	5,042,518	119,439	244,634	5,406,591
Program revenues:				
Charges for services:				
Student tuition and fees (net of $312,190) in allowances)	1,285,208			1,285,208
Auxiliary enterprises (net of $35,523) in allowances)	653,746			653,746
Restricted investment earnings	30,592			30,592
Other	419,560	59,719	192,766	672,045
Total charges for services	2,389,106	59,719	192,766	2,641,591
Operating grants and contributions	1,379,584		46,532	1,426,116
Capital grants and contributions	301,994			301,994
Total program revenues	4,070,684	59,719	239,298	4,369,701
Net program revenue (expense)	(971,834)	(59,720)	(5,336)	(1,036,890)
General revenues:				
Grants and contributions not restricted to specific programs	1,373,439			1,373,439
Unrestricted investment earnings	53,949	28,904	759	83,612
Additions to permanent endowments	53,907			53,907
Total general revenues and additions to permanent endowments	1,481,295	28,904	759	1,510,958
Change in net position	509,461	(30,816)	(4,577)	474,068
Net position - beginning of the year, as restated	6,687,060	326,448	167,081	7,180,589
Net position - end of the year	$ 7,196,521	$ 295,632	$ 162,504	$ 7,654,657

The accompanying notes to the financial statements are an integral part of this financial statement.

STATE OF MARYLAND
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For the Year Ended June 30, 2015

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1. Summary of Significant Accounting Policies:

A. Reporting Entity

The accompanying financial statements include the various departments, agencies, and other organizational units governed by the General Assembly and/or Constitutional Officers of the State of Maryland (State).

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the state government (primary government) and its component units (entities for which the State is considered to be financially accountable). The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include the State appointing a voting majority of an organization's governing body and (1) the ability of the State to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.

Discrete Component Units

The discretely presented component units are those entities which are legally separate from the State, but are financially accountable to the State, or whose relationships with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The Component Units column of the government-wide financial statements includes the financial data of the following major component units. Individual statements are presented for each component unit.

Higher Education (Proprietary Fund Type) – Higher Education consists of the University System of Maryland, Morgan State University, St. Mary's College of Maryland and Baltimore City Community College and certain of their foundations. Each entity is governed by its own Board of Regents, or Board of Trustees, whose members are appointed by the Governor. The universities and colleges are funded through State appropriations, tuition, federal grants, and private donations and grants. Because the universities and colleges are similar in nature and function, they have been combined and presented as a single discretely presented component unit. Some of the financial information for foundations affiliated with the universities and colleges has not been included with the financial information of the universities and colleges in accordance with the requirements of GASB Statement No. 14, as amended by GASB Statements No. 39 and 61.

The Maryland Prepaid College Trust (Proprietary Fund Type) is a program of the College Savings Plans of Maryland and directed by its Board. The Board consists of five State officials and five members of the public appointed by the Governor. The Maryland Prepaid College Trust provides a means for payment of the cost of tuition and mandatory fees in advance of enrollment at eligible institutions of higher education. If the Trust's contract obligations exceed the market value of Trust assets, State appropriations may be provided.

The non-major component units are comprised of the following proprietary fund type entities:

Maryland Stadium Authority (Proprietary Fund Type) – The Maryland Stadium Authority (Authority) was created as a body corporate and politic and as an independent unit of the Executive Department of the State. The Authority's purpose is to acquire land and to construct, operate and/or manage various capital facilities in the State. The Authority's Board consists of seven members, of which, six are appointed by the Governor, with the advice and consent of the State Senate, and one whom is appointed by the Mayor of Baltimore City, with the advice and consent of the State Senate. The Maryland State Legislature and the Board of Public Works (consisting of the Governor, Comptroller and Treasurer) have approved all of the projects and bond issuances of the Authority.

The Maryland Food Center Authority (Authority) is a body corporate and politic, the governing board of which is composed of twelve members. Four members are State officials, and eight members are appointed by the Governor. The

Authority has statewide jurisdiction to promote the State's welfare by undertaking real estate development and management activities that facilitate the wholesale food industry activity in the public interest. It is subject to State regulations and approvals, and has received State subsidies.

The Maryland Environmental Service (Service) was created as a body corporate and politic and is governed by a nine-member Board of Directors. The Board of Directors and the officers of the Service are appointed and/or approved by the Governor. The Service helps private industry and local governments manage liquid, solid and hazardous wastes. In accordance with direction from the Governor, the Service plans and establishes major resource recovery facilities, solid waste management plans and hazardous waste management programs.

The Maryland Industrial Development Financing Authority (MIDFA) was established as a body corporate and politic and a public instrumentality of the State. MIDFA consists of nine members, the Secretary of the Department of Business and Economic Development, or his designee; the State Treasurer or the State Comptroller, as designated by the Governor; and seven members appointed by the Secretary of the Department of Business and Economic Development and approved by the Governor. MIDFA is subject to the authority of the Secretary and subject to State finance regulations. It provides financial assistance to enterprises seeking to locate or expand operations in Maryland.

The Maryland Technology Development Corporation (TEDCO) was established as a body corporate and politic and a public instrumentality of the State. TEDCO's Board of Directors consists of 15 individuals; the Secretary of the Department of Business and Economic Development and 14 members appointed by the Governor with the advice and consent of the Senate. Its budget is submitted to and approved by the State, and its major revenue source is State appropriations. TEDCO was created to assist in transferring to the private sector and commercializing the results and products of scientific research and development conducted by the colleges and universities, and to assist in the commercialization of technology developed in the private sector. TEDCO administers the Maryland Technology Incubator Program and the Maryland Stem Cell Research Fund.

Complete financial statements of the individual component units and the Maryland Local Government Investment Pool of the Investment Trust Fund may be requested from the Comptroller of Maryland, LLG Treasury Building, Annapolis, Maryland 21404.

Related Organizations

The Maryland Economic Development Corporation (MEDCO), Injured Worker's Insurance Fund and the Maryland Automobile Insurance Fund are related organizations of the State. The Governor appoints a majority of the Board of Directors, but the State does not have the ability to impose its will on the organizations, and there is no financial benefit/burden relationship. As of June 30, 2015, the Economic Development Loan Programs, major enterprise funds, had transactions with MEDCO that included loans, investments and grants totaling $10,519,000.

B. Government-wide and Fund Financial Statements

The State's government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. Inter-fund activity has been eliminated from these statements except for certain charges for services between activities that would distort the direct costs and program revenues reported for the applicable functions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Expenses reported for functional activities include allocated indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements as those assets are not available to support government programs. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund (other than the agency funds) financial statements. The agency funds are reported using the accrual basis of accounting, but have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement costs, other post-employment benefits, compensated absences, pollution remediation and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The State reports the following major governmental funds:

General Fund:

Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not accounted for in other governmental funds, are accounted for in the general fund. These services include, among other items, general government, health and mental hygiene, education (other than higher education institutions), human resources, public safety, judicial, labor, licensing and regulation, natural resources and recreation, housing and community development, environment, agriculture, and business and economic development. Resources obtained from federal grants and used for general fund activities consistent with applicable legal requirements, are recorded in the general fund.

Special Revenue Fund, Maryland Department of Transportation:

Transactions related to resources obtained, the uses of which are committed for specific purposes, are accounted for in the special revenue fund. The Maryland Department of Transportation special revenue fund accounts for resources used for operations (other than debt service and pension activities) of the Maryland Department of Transportation, including construction or improvement of transportation facilities and mass transit operations. Revenue sources dedicated to transportation operations include the excise taxes on motor vehicle fuel and motor vehicle titles, a portion of the State's corporation income tax and the State's sales tax, wharfage and landing fees, fare box revenues, bond proceeds, federal grants for transportation purposes and other receipts of the Department's agencies.

Enterprise Funds:

Transactions related to commercial types of activities operated by the State are accounted for in the enterprise funds. The enterprise funds differ from governmental funds in that the focus is on the flow of economic resources, which, together with the maintenance of equity, is an important financial indicator.

The major enterprise funds are as follows:

1. The Economic Development Loan Programs include the direct loan programs of the Maryland Departments of Housing and Community Development, Business and Economic Development and Environment.

2. The Unemployment Insurance Program reflects the transactions and account balances of the Unemployment Insurance Program and is used to account for the unemployment taxes collected from employers, federal revenue received and remittance of benefits to the unemployed.

3. The Maryland Lottery and Gaming Control Agency operates the State Lottery and regulates the operation of video lottery terminal (VLT) and table game casinos.

4. The Maryland Transportation Authority is responsible for the operation and maintenance of toll roads, bridges and tunnels in the State.

Fiduciary Funds

1. The Pension and Other Employee Benefits Trust Fund (Pension Trust Fund) includes the Maryland State Retirement and Pension System, the Maryland Transit Administration Pension Plan, and the Deferred Compensation Plan. The Pension Trust Fund reflects the transactions and accounts balances of the plans administered by the State, and is accounted for using the flow of economic resources measurement focus. The Deferred Compensation Plan, which is reported as of and for its period ended December 31, accounts for participant earnings deferred in accordance with Internal Revenue Code Sections 457, 403(b), 401(a), and 401(k). Amounts deferred are invested and are not subject to Federal income taxes until paid to participants upon termination or retirement from employment, death or for an unforeseeable emergency.

2. The Investment Trust Fund reflects the transactions and account balances of the Maryland Local Government Investment Pool and is accounted for using the flow of economic resources measurement focus.

3. The Postretirement Health Benefits Trust Fund (OPEB Trust) accumulates funds to assist the State's Employee and Retiree Health and Welfare Benefits Program finance the State's postretirement health insurance subsidy. The OPEB Trust is administered by the Board of Trustees for the Maryland State Retirement and Pension System, and its transactions and account balances are accounted for using the flow of economic resources measurement focus. The assets of the Pension and OPEB Trust are not pooled for investment purposes, and each trust's assets may be used only for the payment of benefits to the trust's members in accordance with the terms of the trust.

4. The agency funds are custodial in nature, and do not present the results of operations or have a measurement focus. The State uses agency funds to account for the receipt and disbursement of litigants, patient and prisoner accounts, various taxes collected by the State for distribution to political subdivisions and amounts withheld from employee's payroll.

D. Change in *Accounting Principles and Restatement of Beginning Balances*

As of July 1, 2014, the State implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 71. *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, is applied simultaneously with the provisions of Statement No. 68.

The net pension liability (NPL), as established by actuarial valuations under methods and assumptions required by Statement No. 68, replaced the unfunded actuarial accrued liability previously disclosed for the State Retirement and Pension System and the Maryland Transit Administration Pension Plan. The NPL is a present value measure of benefits to be provided to current active and inactive employees that is attributed to those employees' past service, less the amount of the fiduciaries' net position. It is reported as a liability on the government-wide statement of net position. . It replaces the net pension obligation, which is the cumulative difference between annual required contributions to the pension plan, as adjusted, to meet pension obligations as they come due, and actual contributions, on the statement of net position.

Cost-sharing employers, including the governmental activities, business-type activities, and component units, recognize a liability for their proportionate share of the NPL. In addition, a special funding situation exists when a non-employer entity is legally responsible for making contributions to a pension plan for the benefit of employees of another entity and results in the non-employer entity recording an NPL. In Maryland, the State makes contributions to amortize the actuarial present value of projected benefit payments attributable to past periods of service of local teachers and a diminishing percentage of current service costs. Accordingly, the State records the NPL for the local teachers' plan. See Note 15 for further discussion of retirement costs and obligations.

The State has restated beginning net position as follows (amounts expressed in thousands).

	Governmental Activities	Business-Type Activities	Component Units
Beginning net position, as previously stated	$ 2,440,392	$7,063,179	$7,968,778
Less: Net pension liability – MSRPS	(17,393,109)	(215,183)	(891,892)
Net Pension liability – MTA Pension Plan	(630,048)		
Net Pension asset – MTA Pension Plan at July 1, 2014	(17,616)		
Less: Deferred outflows for change of assumptions			(703)
Deferred inflows for difference between projected and actual earnings			(138)
Add: Net pension obligation – MSRPS at July 1, 2014	3,530,441		
Add: Deferred outflows for pension contributions made subsequent to the measurement date of the beginning NPL – MSRPS	1,460,133	24,496	105,541
Beginning net position, as restated	$(10,609,807)	$6,872,492	$7,181,586

In addition, balances of other liabilities have been restated in Note 11 for changes in long-term obligations for governmental activities and business-type activities as follows (amounts expressed in thousands).

	Governmental Activities	Business-Type Activities
Beginning other liabilities, as previously stated	$ 9,766,380	$132,186
Add: Net pension liability – MSRPS	17,393,109	215,183
Net pension liability – MTA Pension Plan	630,048	
Less: Net pension obligation – MSRPS at July 1, 2014	(3,530,441)	
Beginning balance of other liabilities, as restated	$24,259,096	$347,369

On July 1, 2014, TEDCO changed its method of recording unspent Maryland Innovation Initiative (MII) funds received from participating universities to unearned grant income. In fiscal years 2013 and 2014, the unspent funds were recorded as revenue. The new method of accounting for MII grants was adopted so that TEDCO could better track available funding for future disbursement of MII grants. As a result of the accounting change, beginning net position decreased by $997,000, for an increase in unearned grant revenue.

During fiscal year 2015, the State changed its reporting for certain loan transactions on the Statement of Cash Flows for the Economic Development Loan Programs in accordance with generally accepted accounting principles. Loans made to local governments and other governmental entities and for rental projects, small businesses and industrial sites rather than directly to individuals, have been reclassified from cash flows from operating activities to cash flows from investing activities.

E. New Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, effective for fiscal years beginning after June 15, 2015. GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued in June 2015, effective for fiscal years beginning after June 15, 2015. GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued in June 2015, is effective for fiscal years beginning after June 15, 2016, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, also issued in June 2015, is effective for fiscal years beginning after June 15, 2017. Also, in June 2015, Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, applicable to reporting periods beginning after June 15, 2015, was issued. The State will implement these statements as of their effective dates. While the State is still in the process of determining the effect of implementing these GASB statements, Statement No. 75 is expected to have a material effect on the financial position of the State.

2. Summary of Significant Accounting Policies- Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity:

A. All Funds:

Deposits with Financial Institutions and Investments:

The State Treasurer's Office operates a centralized cash receipt, investment and disbursement function for the majority of the State's funds as required by statute. Certain enterprise activities, pension funds, agency funds and component units are specifically exempt from this function in the law. Individual fund equity in pooled invested cash is reported as an asset on the balance sheets of those funds participating in the centralized cash receipt and disbursement function. Investment earnings accrue to those funds reporting equity in pooled invested cash only if the law specifically provides for the fund's accrual of interest earnings.

The State Treasurer's Office invests short-term cash balances on a daily basis primarily in U.S. Government obligations and money market mutual funds. Under the State Finance and Procurement Article of the Annotated Code of Maryland, Title 6, Subtitle 2, the State Treasurer may only invest in the following:

- Any obligation for which the United States Government has pledged its faith and credit for the payment of principal and interest.
- Any obligation that a United States agency issues in accordance with an act of Congress.
- Repurchase agreements that any of the above obligations secure.

- Certificates of deposits of Maryland financial institutions.
- Banker's acceptances.
- Money market mutual funds.
- Commercial paper.
- Maryland Local Government Investment Pool.
- Securities Lending Collateral.

In addition, bond sale proceeds may be invested in municipal securities. Collateral must be at least 102% of the book value of the repurchase agreements, and must be delivered to the State Treasurer's custodian for safekeeping. Investments are recorded at fair value, and changes in fair value are recognized as revenue. Fair values are based on quotations from national security exchanges and security pricing services, or by the respective fund managers for securities which are not actively traded. Money market mutual funds and the Maryland Local Government Investment Pool are operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. Their fair values are based on a share price of $1.00 per share. Investments maturing within 90 days of purchase are reported in the financial statements as cash and cash equivalents.

The Maryland State Retirement and Pension System (System), in accordance with State Personnel and Pension Article Section 21-123 of the Annotated Code of Maryland, is permitted to make investments subject to the terms, conditions, limitations and restrictions imposed by the Board of Trustees of the System. The law further provides that no more than 25% of the assets that are invested in common stocks may be invested in non-dividend paying common stocks. In addition, no investment in any one organization may constitute more than 5% of the total assets of the System. The System is authorized by Section 21-116 of the State Personnel and Pensions Article to establish and maintain the investment policy manual, which authorizes investing in all major sectors of the capital market in order to diversify and minimize total investment program risk. Such sectors would include, but are not limited to, common stock, preferred stock, convertible securities, warrants and similar rights of U.S. and non-U.S. companies; private equity – direct/partnership/funds; real estate investment trusts; commingled real estate funds; directly owned real estate; fixed income obligations of the U.S. government and its states and local subdivisions, non-U.S. governments and their states and local subdivisions, U.S. and non-U.S. companies, and supra-national organizations; futures and options; foreign exchange forward and future contracts and options; equity index futures; and equity options.

Investments of the System, the Postretirement Health Benefits Trust Fund (OPEB Trust) and the Maryland Transit Administration (MTA) Pension Plan are stated at fair value. The investments of the OPEB Trust and the MTA Pension Plan are held and invested on their behalf by the System and are limited to those allowed for the System. For fixed income securities, fair value is based on quoted market prices provided by independent pricing services. Securities traded on a national or international exchanged are valued at the last reported sales price at current exchange rates. Mortgages and mortgage-related securities are valued on a basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Fair value for real estate investments is based on estimated current values and independent appraisals. Fair value for private equity investments and mutual funds (other than those funds traded on a national or international exchange) is based on information provided by the applicable fund managers.

State employees are offered participation in deferred compensation plans created in accordance with the Internal Revenue Code, Sections 401(a), 401(k), 403(b) and 457. The Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans (the Plans) is responsible for the implementation, maintenance and administration of the Plans. The Board has appointed a private company as the Plans' administrator. Assets of the Plans are valued at cost plus interest credited which approximates fair market value for fixed earnings investment contract pools and at fair value based on published quotations at each December 31, or net asset value as provided by the investment custodian, for variable earnings investments.

Retirement Costs:

Substantially all State employees participate in one of several State retirement systems (See Note 15). The State also provides retirement benefits to teachers and certain other employees of its political subdivisions. Retirement costs have been provided on

the accrual basis, based upon actuarial valuations, except that retirement expenditures for governmental funds represent amounts contributed by the State for the fiscal year.

Other Post-Employment Benefit Costs:

Substantially all State retirees may participate in the various health care plans offered by the State (See Note 16). Post-employment health care costs have been provided on the accrual basis, based upon actuarial valuations, except that other post-employment expenditures for governmental funds represent amounts contributed by the State for the fiscal year

Accrued Self-Insurance Costs:

The accrued self-insurance costs represent the State's liability for its various self-insurance programs. The State is self-insured for general liability, property and casualty, workers' compensation, environmental and anti-trust liabilities and certain employee health benefits. The State records self-insurance expenses in the proprietary funds and discretely presented component units on an accrual basis and the modified accrual basis for the governmental funds. The long-term accrued self-insurance costs of the governmental funds, which are not expected to be funded with current resources, are reported in the government-wide financial statements.

Annual Leave Costs:

Principally all full-time employees accrue annual leave based on the number of years employed up to a maximum of 25 days per calendar year. Earned annual leave may be accumulated up to a maximum of 75 days as of the end of each calendar year. Accumulated earned but unused annual leave for general government employees is accounted for in the government-wide financial statements. Liabilities for accumulated earned but unused annual leave applicable to proprietary funds and component units are reported in the respective funds.

Capital Assets:

Capital assets, which include property, plant, art and historical treasures, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure acquired prior to June 30, 1980, is not reported. Capital assets are defined by the government as assets with an initial, individual cost of more than $50,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	5-75
Building improvements	5-75
Vehicles	3-25
Office equipment	3-10
Computer equipment	3-10
Computer software	5-10
Infrastructure	10-75

Deferred Outflows and Deferred Inflows of Resources:

Deferred outflows of resources are consumption of net position that applies to future reporting periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources are presented separately after "Total Assets" in the State's financial statements.

Deferred inflows of resources are acquisition of net position that applies to future reporting periods and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are presented separately after "Total Liabilities" in the State's financial statements.

Long-term Obligations:

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts adjust the carrying value of the bonds and are amortized over the life of the bonds. Issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuances costs are reported as debt service expenditures.

Restricted Resources:

When both restricted and unrestricted resources are available for use, it is the State's policy to use restricted resources first, and then unrestricted resources as they are needed.

Debt Refinancing:

The gain or loss associated with debt refinanced is deferred and amortized to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Net Position:

Net position is divided into three categories. Net investment in capital assets is the capital assets less accumulated depreciation and outstanding principal of the related debt. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of capital assets or related debt also are included in this category. Restricted net position reflects restrictions on assets and deferred outflows imposed by parties outside the State or imposed by the State by constitutional provisions or enabling legislation. Unrestricted net position is total net position of the State less net investment in capital assets and restricted net position. Unrestricted net position is comprised mainly of cash, investments, loans and receivables.

B. Government Funds:

Inventories and Prepaid Items:

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements under the consumption method.

Grants:

Revenues from federal reimbursement type grants are recognized when the related expenditures are incurred and the revenues are both measurable and available. The State considers all grant revenues to be available if they are collected within 60 days of the current fiscal period. Distributions of food stamp benefits are recognized as revenues and expenditures when the benefits are distributed to individual recipients.

Income Taxes:

The State accrues the net income tax receivable or records unearned revenue based on estimated income tax revenues and refunds due relating to the fiscal year, that will not be collected or paid until after the fiscal year end. This accrual is computed based on projected calendar year net tax collections, tax laws in effect, future projections and historical experience.

Sales and Use Taxes:

The State accrues June sales taxes that are not remitted at year end as a receivable. These taxes are considered measurable and available since they represent June collections that are remitted to the State in July by merchants who collect the related sales tax.

Property Taxes:

The State levies an annual tax for the fiscal year beginning July 1 and ending June 30 on all real property subject to taxation, due and payable each July 1 and December 1 (lien dates), based on assessed values as of the previous January 1, established by the State Department of Assessments and Taxation at 100% of estimated market value. Each of the counties, Baltimore City and incorporated municipalities establish rates and levy their own tax on such assessed values. The State tax rate in fiscal year 2015 was 11.2¢ per $100 of assessed value. Unpaid property taxes are considered in arrears on October 1 and January 1, respectively, and penalty and interest of 1% is assessed for each month or fraction of a month that the taxes remain unpaid. Property taxes are accrued to the extent they are collected within 60 days of year end.

Escheat Property:

Escheat property is property that reverts to the State's general fund in the absence of legal claimants or heirs. The escheat activity is reported in the general fund. An asset is recognized in the period when the legal claim to the assets arises or when the resources are received, whichever occurs first, and a liability is recognized for the estimated amount that ultimately will be reclaimed and paid.

Intergovernmental Expenditures:

General, special revenue and capital projects fund revenues paid to political subdivisions, and bond proceeds granted to political subdivisions, are recorded as intergovernmental expenditures if such payments do not require mandatory use for specific functions. Direct grants and other payments to, or on behalf of, political subdivisions are recorded as current expenditures.

Capital Assets:

Expenditures for capital assets are reported as capital outlays in the governmental funds.

Compensated Absences:

It is the State's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the State does not have a policy to pay any amounts when employees separate from service with the government. A liability for vacation pay amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Fund Equity:

Fund balance for governmental funds is reported in categories and classifications that are presented in order of constraints on the specific purposes for which amounts in that fund can be spent. The non-spendable fund balance represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Otherwise, fund balance is classified as restricted, committed, assigned, or unassigned. Amounts are reported as restricted when spending constraints are (a) externally imposed or (b) imposed by the government by constitutional provisions or enabling legislation. The committed fund balance includes amounts committed for specific purposes by formal action of the government's highest level of decision-making authority. In Maryland, the uses of these funds are established in statute after appropriate action by the General Assembly and the Governor. The assigned fund balance is intended spending expressed by (a) the governing body or (b) a body or official to which the governing body has delegated the authority to assign amounts. The Governor is authorized to assign current year funds for appropriation in the subsequent year's budget pursuant to budgetary policies adopted by the General Assembly. The unassigned fund balance is the residual classification for the general fund.

Encumbrances are commitments related to unperformed contracts for goods or services. The State utilizes encumbrance accounting as part of the budgetary integration for the general, special revenue, and capital projects funds. As of June 30, 2015, certain amounts which were available for specific purposes have been encumbered as either restricted, committed or assigned fund balance depending on the constraints and approval in place at year end. In addition, where existing resources are not sufficient to liquidate encumbrances, the encumbrances are reported within committed or assigned fund balance, as appropriate. Encumbrances outstanding at year-end are reported as committed fund balance in the general, special revenue, and capital projects funds. Encumbrances are not displayed on the face of the financial statements but are disclosed in Note 17.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the State considers restricted resources to have been spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the State considers committed, assigned, and unassigned amounts to have been spent in that order.

C. *Enterprise Funds, Fiduciary Funds and Component Units:*

Basis of Accounting:

The accounts of the enterprise funds, fiduciary funds and component units are maintained and reported using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise funds and component units distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents:

The enterprise funds consider all highly liquid investments that mature within 90 days of purchase to be cash and cash equivalents for reporting on the statement of cash flows.

Grants:

Revenues from federal reimbursement type-grants are recorded when the related expenses are incurred.

Capital Assets:

Capital assets are stated at cost. Depreciation of the cost of capital assets is provided on the straight-line basis over estimated useful lives of 5 to 75 years for depreciable real property and building improvements, and 3 to 20 years for equipment. Construction period interest is capitalized. Repairs and maintenance are charged to operations in the period incurred. Replacements, additions and betterments are capitalized.

MLGCA Revenues, Prizes and Related Transfers:

Revenues and prizes of the Maryland Lottery and Gaming Control Agency (MLGCA) are primarily recognized when drawings are held. Certain prizes are payable in deferred installments. Such liabilities are recorded at the present value of amounts payable in the future. State law requires the MLGCA to transfer to the State revenues in excess of amounts allocated to prize awards, operating expenses and capital expenditures. The excess revenues from certain select games are transferred to the State's general fund, which then transfers the amounts to the Maryland Stadium Authority for operations and to cover the State's capital lease payments to the Maryland Stadium Authority.

Video lottery terminals (VLTs) are a self-activated video version of lottery games. The MLGCA recognizes VLT revenue as gross terminal revenue equivalent to all wagers, net of related prizes. The casino operators' share is recorded as commissions and bonuses. The five casino operators receive between 39% and 50% of the gross terminal revenue to operate their casinos. After deducting operating costs, State law requires the MLGCA to transfer the remainder of the gross terminal revenue to various general fund agencies, which are responsible for making further distributions.

The casinos also operate table games. Table games include blackjack, roulette, craps and various poker games, among others. Table game revenue is equivalent to all wagers, net of related prizes. Casino operators receive 80% of the table game revenue to operate their casinos. These costs are recorded as commissions and bonuses. The remainder is remitted to the MLGCA which transfers it to the general fund in accordance with the enabling legislation.

Provisions for Insurance and Loan Losses:

Current provisions are made for estimated losses resulting from insuring loans and uncollectible loans. Loss provisions are based on the current status of insured and direct loans, including delinquencies, economic conditions, loss experience, estimated value of collateral and other factors which may affect their realization.

Inventories:

Inventories are stated at the lower of cost or market, using the first-in, first-out method.

3. Deposits with Financial Institutions and the U.S. Treasury, Equity in Pooled Invested Cash and Investments:

Cash and cash equivalents, equity in pooled invested cash and investments as shown on the basic financial statements as of June 30, 2015, reconcile to cash deposit and investment disclosures as follows (amounts expressed in thousands).

Government-wide statement of net position:		
Cash	$	469,830
Equity in pooled invested cash		3,914,022
Investments		3,542,776
Collateral for lent securities		139,951
Restricted cash		1,750,246
Restricted equity in pooled invested cash		218,518
Restricted investments		844,620
Statement of fiduciary net position:		
Cash		1,201,459
Equity in pooled invested cash		1,065,308
Investments		52,056,749
Collateral for lent securities		1,343,489
Total cash and investments per basic financial statements		66,546,968
Less: Cash and investments of higher education foundations not subject to disclosure		1,253,492
Total cash and investments per Note 3	$	65,293,476

Cash deposit:		
Governmental funds.....	$	218,988
Enterprise funds		1,111,918
Fiduciary funds.....		237,058
Component units.....		122,020
Investments:		
Governmental funds		5,766,305
Enterprise funds.....		2,200,182
Fiduciary funds.....		54,364,640
Component units.....		1,272,365
Total cash deposits and investments	$	65,293,476

Cash and equity in pooled invested cash for financial statement presentation includes short-term investments maturing within 90 days of purchase. Investments for financial statement presentation include certificates of deposit maturing 90 days or more from date of purchase.

A. Cash Deposits:

As of June 30, 2015, the carrying value for the bank deposits of the governmental funds, enterprise funds, fiduciary funds and component units were $218,988,000, $1,111,918,000, $237,058,000, and $122,020,000, respectively. The bank balances were $218,988,000, $1,105,113,000, $237,058,000, and $120,111,000, respectively.

Custodial Risk. Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name. State law permits the Treasurer to deposit in a financial institution in the State, unexpended or surplus money in which the Treasurer has custody if (a) the deposit is interest-bearing; (b) the financial institution provides collateral that has a market value that exceeds the amount by which a deposit exceeds the deposit insurance; and (c) a custodian holds the collateral.

The Economic Development Loan Programs and higher education component unit do not have a deposit policy for custodial credit risk. As of June 30, 2015, $21,105,000, and $6,816,000, respectively, of their bank balances were exposed to custodial credit risk as uninsured and uncollateralized.

B. Investments:

The State discloses investment risks as follows:

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

1. Investments-Governmental Funds:

The State Treasurer's Office is authorized to make investments as stated in Note 2.A.

Investments are stated at fair value that is based on quoted market prices. The investments and maturities as of June 30, 2015, for the governmental funds of the primary government were as follows (amounts expressed in thousands):

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1-3	More than 3
U.S. Agencies (a) ……	$ 5,059,845	$ 26,298	$ 4,393,407 (b)	$ 640,140 (c)
Repurchase Agreements……..…….	415,637	389,565		26,072
Local Government Investment Pool	150,872	150,872		
Total Investments……..	5,626,354	566,735	4,393,407	666,212
Collateral for Lent Securities…….……	139,952	139,952		
Total Investments and Collateral for Lent Securities……	$ 5,766,306	$ 706,687	$ 4,393,407	$ 666,212

(a) Investments held by broker dealers under securities lending program are $118,530,000.

(b) Bonds in the amount of $4,283,197,000, mature July 2017 to June 2018, but are callable July 2015 to January 2016.

(c) Bonds in the amount of $589,537,000, mature December 2019 to June 2020, but are callable July 2015 to June 2016.

Interest Rate Risk. The State Treasurer's Office's investment policy states that to the extent possible, it will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Treasurer's Office will not directly invest in securities maturing more than five years from the date of purchase. Sinking fund investments with guaranteed earnings to redeem term bonds beginning in fiscal year 2016 were $ 42,772,000.

Credit Risk. State law requires that the governmental funds' repurchase agreements be collateralized by U.S. Treasury and agency obligations. In addition, investments are made directly in U.S. agency obligations. Obligations of the Federal National Mortgage Association, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Tennessee Valley Authority are rated Aaa by Moody's, AA by Standard & Poor's, and AAA by Fitch. Obligations of the Federal Home Loan Bank are rated Aaa by Moody's and AA by Standard & Poor's. Obligations of the Federal Agricultural Mortgage Corporation are not rated. The Local Government Investment Pool is rated AAAm by Standard & Poor's.

Concentration of Credit Risk. The State Treasurer's Office's investment policy limits the amount of repurchase agreements to be invested with a particular institution to 30% of the portfolio. There is no other limit on the amount that may be invested in any one issuer. More than 5 % of the governmental funds' investments are in the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Home Loan Bank. These investments are 44.6%, 33.6%, and 12.9% of the governmental funds' total investments, respectively.

2. Investments – Enterprise Funds:

The enterprise funds' bond indentures and investment policies, with the exception of the Economic Development Loan Programs, authorize the investment of assets related to the indentures and other funds in obligations in which the State Treasurer may invest. The Economic Development Loan Programs are authorized to invest in obligations of the U.S. Treasury, U.S. government agencies, obligations of U.S. political subdivisions, bankers' acceptances, commercial paper, repurchase

agreements, guaranteed investment contracts, corporate debt securities and mutual funds in accordance with bond indentures, and in direct equity investments in accordance with the statute establishing the program.

Investments of the enterprise funds are stated at fair value, which is based on quoted market prices.

The investments and maturities as of June 30, 2015, for the enterprise funds of the primary government were as follows (amounts expressed in thousands):

		Investment Maturities (in Years)				
Investment Type	Fair Value	Less than 1	1-5	6-10	11-15	More than 15
U.S. Treasury obligations	$ 418,143	$ 7,799	$ 5,102	$ 5,272	$ 7,646	$ 392,324
U.S government agency obligations	896,607	126,000	743,110		4,072	23,425
Repurchase agreements	2,408				1,232	1,176
Commercial paper	19,993	19,993				
Guaranteed investment contracts	7,997	4,028	3,969			
Money market mutual funds	640,677	640,677				
Municipal bonds	98,958	9,711	71,087	18,160		
Total	$ 2,084,783	$ 808,208	$ 823,268	$ 23,432	$ 12,950	$ 416,925

In addition to the investments scheduled above, as of June 30, 2015, the enterprise funds' investments also include the fair value of direct equity investments, $78,096,000.

The MLGCA, a major enterprise fund, invests in U.S. Treasury obligations and annuity contracts that provide for guaranteed payouts to jackpot prize winners, and therefore have no interest rate risk to the MLGCA. As of June 30, 2015, the fair value of these investments was $37,163,000, and $140,000, respectively. Of these investments, U.S. Treasury obligations held by broker dealers under the securities lending program were $18,847,000.

Interest Rate Risk. The enterprise funds' policy for managing their exposure to fair value loss arising from increasing interest rates is to manage investment maturities so that they precede or coincide with the expected need for funds.

Credit Risk. The investment policies of the enterprise funds require that repurchase agreements are collateralized by U.S. Treasury and agency obligations. The policies also require that money market mutual funds contain only U.S. Treasuries or agencies or repurchase agreements secured by these, or that they receive the highest possible rating from at least one nationally recognized securities rating organization and that commercial paper be rated A-1, P-1. According to the indenture and investment policy of the Economic Development Loan Programs, investments must be rated no lower than the rating on the Loan Programs' bonds or F1/P1 for the issuer's short-term accounts or securities. The ratings on the Loan Programs' bonds as of June 30, 2015, were Aa by Moody's and AA by Fitch, or higher.

As of June 30, 2015, the enterprise funds had the following investments and quality ratings (amounts expressed in thousands):

Investment Type	Fair Value	Quality Rating	Rating Organization	Percentage of Total Investments
U.S. government agency obligations	$ 136,954	Aaa	Moody's	6.22 %
U.S. government agency obligations	759,653	AA	S&P	34.53
Money market mutual funds	639,070	AAAm/Aaa	S&P/Moody's	29.05
Money market mutual funds	1,607	Unrated		0.07
Commercial paper	19,993	A-1/ P-1	S&P/Moody's	0.91
Guaranteed investment contracts	7,997	Aaa	Moody's	0.36
Municipal bonds	98,958	AAA	S&P	4.50
Total	$ 1,664,232			75.64 %

Concentration of Credit Risk. The enterprise funds place no limit on the amount they may invest in any one issuer of U.S. government agency obligations. More than 5% of the enterprise funds' investments are in obligations of the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. These investments are 16.2%, 9.2%, and 9.0% of the enterprise funds' total investments, respectively.

3. Investments – Fiduciary Funds:

The Pension Trust Funds and Postretirement Health Benefits Trust Fund are authorized to make investments as stated in Note 2.A.

The Maryland Local Government Investment Pool is authorized by Article 95, Section 22G, of the Annotated Code of Maryland to invest in any instrument in which the State Treasurer may invest. Investments of the Pool are stated at fair value. Securities are valued daily on an amortized cost basis which approximates market value. Money market funds are valued at the closing net asset value per share on the day of valuation.

The investments and maturities as of June 30, 2015, for the fiduciary funds of the primary government were as follows (amounts expressed in thousands):

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury notes and bonds	$ 4,382,882	$ 321,053	$ 1,477,193	$ 1,597,455	$ 987,181
U.S. Treasury strips	12,455		1,550		10,905
U.S. Government agency obligations	2,612,949	2,144,678	418,183	41,967	8,121
Commercial paper	286,113	286,113			
Guaranteed investment contracts (a)	774,659		774,659		
Corporate bonds	2,717,997	74,446	909,811	1,385,701	348,039
International bonds	1,457,640	55,143	265,340	576,899	560,258
Other government bonds	563,369	35,863	218,880	197,004	111,622
Mortgage-backed securities	1,905,877		18,844	85,066	1,801,967
Asset-backed securities	426,930	1,510	143,538	63,609	218,273
Bond mutual funds	2,054,434	99,296	1,343,149	540,276	71,713
Swaps	11,886	5,132	(1,129)	1,028	6,855
Money market mutual funds	1,505,711	1,505,711			
Total investments	18,712,902	4,528,945	5,570,018	4,489,005	4,124,934
Collateral for lent securities	1,343,490	1,343,490			
Total investments and collateral for lent securities	$ 20,056,392	$ 5,872,435	$ 5,570,018	$ 4,489,005	$ 4,124,934

(a) These investments are stated at contract value as of December 31, 2014. The fair value as of December 31, 2014, was $787,283,000 and the wrapper value was $12,194,000.

In addition to the investments scheduled above, as of June 30, 2015, the fiduciary funds' investments also include the fair value of corporate equity securities of $16,482,196,000, commingled investments of $8,997,083,000, private equity of $3,656,731,000, real estate of $2,724,178,000, stock mutual funds of $2,358,881,000, annuity contracts of $85,938,000, and insurance contracts of $3,241,000.

Interest Rate Risk. As of June 30, 2015, the System had $1.3 billion invested in mortgage pass-through securities. These investments are moderately sensitive to changes in interest rates because they are backed by mortgage loans in which the borrowers have the option of prepaying.

The Deferred Compensation Plans (Plans) invest in annuity contracts and insurance contracts that provide for guaranteed payouts to participants, and therefore have no interest rate risk to the Plans. As of June 30, 2015, the fair value of these investments was $85,938,000, and $3,241,000, respectively.

The State Treasurer's Office manages the Local Government Investment Pool. The State Treasurer's investment policies state that no direct investment by the Pool may have a maturity date of more than 13 months after its acquisition.

Credit Risk. The investment policy of the System regarding credit risk is determined by each investment manager's mandate. The Local Government Investment Pool may invest in banker's acceptances and commercial paper subject to certain credit rating guarantee and/or collateral requirements. As of June 30, 2015, the fiduciary funds' investments were rated by Standard and Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard and Poor's rating scale (amounts expressed in thousands):

Investment Type	Fair Value	Quality Rating	Percentage of Total Investments
U.S. Government agency obligations	$ 23,189	AAA	0.04%
U.S. Government agency obligations	2,220,638	AA	4.19%
U.S. Government agency obligations	644	A	0.00%
U.S. Government agency obligations	355	BAA	0.00%
U.S. Government agency obligations	287	BBB	0.00%
U.S. Government agency obligations	367,836	Unrated	0.69%
Money market mutual funds	544,551	AAA	1.03%
Money market mutual funds	961,160	A	1.81%
Commercial paper	286,113	AAA	0.54%
Guaranteed investment contracts	770,990	AA	1.45%
Guaranteed investment contracts	3,669	Unrated	0.01%
Corporate bonds	15,263	AAA	0.03%
Corporate bonds	95,167	AA	0.18%
Corporate bonds	365,526	A	0.69%
Corporate bonds	183,075	BAA	0.35%
Corporate bonds	2,708	BA	0.01%
Corporate bonds	991,262	BBB	1.87%
Corporate bonds	287,017	BB	0.54%
Corporate bonds	301,647	B	0.57%
Corporate bonds	27,157	CAA	0.05%
Corporate bonds	57,807	CCC	0.11%
Corporate bonds	548	CC	0.00%
Corporate bonds	580	C	0.00%
Corporate bonds	282	D	0.00%
Corporate bonds	389,956	Unrated	0.74%
International bonds	170,994	AAA	0.32%
International bonds	662,090	AA	1.25%
International bonds	148,984	A	0.28%
International bonds	296,138	BAA	0.56%
International bonds	6,202	BA	0.01%
International bonds	66,109	BBB	0.12%
International bonds	15,246	BB	0.03%
International bonds	5,323	B	0.01%
International bonds	224	CA	0.00%
International bonds	13	CCC	0.00%
International bonds	86,318	Unrated	0.16%
Other government bonds	23,563	AAA	0.04%

Other government bonds……	60,170	AA	0.11%
Other government bonds……	149,681	A	0.28%
Other government bonds……..	18,215	BAA	0.03%
Other government bonds……..	2,821	BA	0.01%
Other government bonds……..	202,682	BBB	0.38%
Other government bonds……..	49,774	BB	0.09%
Other government bonds……..	25,015	B	0.05%
Other government bonds……..	438	CAA	0.00%
Other government bonds……..	4,630	CCC	0.01%
Other government bonds……..	26,380	Unrated	0.05%
Mortgage-backed securities……..	60,955	AAA	0.11%
Mortgage-backed securities……..	33,115	AA	0.06%
Mortgage-backed securities……..	60,463	A	0.11%
Mortgage-backed securities……..	32,895	BAA	0.06%
Mortgage-backed securities……..	13,729	BA	0.03%
Mortgage-backed securities……..	56,423	BBB	0.11%
Mortgage-backed securities……..	16,420	BB	0.03%
Mortgage-backed securities……..	17,837	B	0.03%
Mortgage-backed securities……..	6,840	CAA	0.01%
Mortgage-backed securities……..	4,558	CA	0.01%
Mortgage-backed securities……..	34,285	CCC	0.06%
Mortgage-backed securities……..	6,242	CC	0.01%
Mortgage-backed securities……..	12,965	D	0.02%
Mortgage-backed securities……	1,549,151	Not rated	2.92%
Asset-backed securities-Other……..	209,519	AAA	0.40%
Asset-backed securities-Other……	52,773	AA	0.10%
Asset-backed securities-Other……..	54,096	A	0.10%
Asset-backed securities-Other……..	2,208	BAA	0.00%
Asset-backed securities-Other……..	16,112	BBB	0.03%
Asset-backed securities-Other……	10,446	BB	0.02%
Asset-backed securities-Other……..	31,050	B	0.06%
Asset-backed securities-Other……..	324	CA	0.00%
Asset-backed securities-Other……..	20,708	CCC	0.04%
Asset-backed securities-Other……..	4,019	CC	0.01%
Asset-backed securities-Other……..	3,952	D	0.01%
Asset-backed securities-Other……..	21,723	Not rated	0.04%
Bond mutual funds……	2,054,434	Not rated	3.87%
Swaps……	11,886	Not rated	0.02%
Total…..……	$ 14,317,565		27.00%

Foreign Currency Risk. The majority of the System's foreign currency-denominated investments are in equities. The System has an overlay program to minimize its currency risk.

The System's exposure to foreign currency risk as of June 30, 2015, was a follows (amounts expressed in thousands):

Currency	Equity	Fixed Income	Cash	Alternative Investments	Total
Australian Dollar…….……..	$ 209,350	$ 8,972	$ 2,013	$ 104,799	$ 325,134
Brazilian Real……	31,317	25,276	976	6,630	64,199
Canadian Dollar ……	310,532	22,430	4,518	40,558	378,038
Czech Koruna……	5,984		1		5,985
Danish Krone ……	96,403	93	376	8,018	104,890

Egyptian Pound	3,149		106		3,255
Euro Currency	1,554,077	442,419	19,059	887,969	2,903,524
Hong Kong Dollar	354,169		3,475	53,242	410,886
Hungarian forint	1,469		18		1,487
Indonesian Rupiah	10,606		240		10,846
Japanese Yen	989,957	63,338	11,753	86,190	1,151,238
Malaysian Ringgit	15,046		374		15,420
Mexican Peso	19,172	35,577	1,604	10,846	67,199
New Israeli Sheqel	14,472		148	291	14,911
New Russian Ruble		97	4		101
New Taiwan Dollar	38,108		219		38,327
New Zealand Dollar	3,528	4,885	282	16,232	24,927
Norwegian Krone	61,883	446	765	1,399	64,493
Philippine Peso	2,210		14		2,224
Polish Zloty	7,798	9,592	349		17,739
Pound Sterling	1,041,374	137,437	12,021	596,047	1,786,879
Qatari Rial	357				357
Singapore Dollar	62,009		781	14,949	77,739
South African Rand	41,875	944	549		43,368
South Korean Won	109,688		555		110,243
Swedish Krona	130,284	7,593	926	18,198	157,001
Swiss Franc	454,868	10,360	506	5,596	471,330
Thailand Baht	18,400		377		18,777
Turkish Lira	16,728		237		16,965
Uae Dirham	2,683				2,683
Multiple			81		81
Total	$ 5,607,496	$ 769,459	$ 62,327	$ 1,850,964	$ 8,290,246

Derivatives:

Each System investment manager's guidelines determine the extent to which derivatives are permissible. Futures and other derivatives are permitted to the extent that they are used in a manner that does not materially increase total portfolio volatility or relate to speculative activities. Unleveraged derivatives are permitted for the purpose of hedging investment risk, to replicate an investment that would otherwise be made directly in the cash market or to modify asset exposure in tactical portfolio shifts. Use of derivatives is not permitted to materially alter the characteristics, including the investment risk, of each manager's account. The investment managers are to have in place, and use, procedures that subject derivative based strategies to rigorous scenario and volatility analysis. Futures and short option positions must be hedged with cash, cash equivalents or current portfolio security holdings.

A list of derivatives aggregated by investment type is as follows (amounts expressed in thousands):

	Changes in Fair Value		Fair Value as of June 30, 2015		
	Classification	Amount	Classification	Amount	Notional*
Commodity futures long	Investment revenue	$ (111,816)	Futures		$231,643
Commodity futures short	Investment revenue	7,292	Futures		(13)
Credit default swaps bought	Investment revenue	191	Swaps	$ (219)	18,941
Credit default swaps written	Investment revenue	(1,319)	Swaps	418	34,213
Currency swaps	Investment revenue	(6,465)	Swaps	6,645	88,380
Fixed income futures long	Investment revenue	19,570	Futures		612,773
Fixed income futures short	Investment revenue	(54,992)	Futures		(1,945,475)
Fixed income options bought	Investment revenue	(401)	Options	58	19,400
Fixed income options written	Investment revenue	1,588	Options	(708)	(211,249)
Foreign currency options bought	Investment revenue	(363)	Options		
Foreign currency options written	Investment revenue	444	Options	(634)	(40,574)
Futures options bought	Investment revenue	(2,694)	Options	29	873
Futures options written	Investment revenue	13,729	Options	(1,149)	(3,876)
FX forwards	Investment revenue	603,166	Long term instruments	101,115	21,037,078
Index futures long	Investment revenue	1,624	Futures		458
Pay fixed interest rate swaps	Investment revenue	(19,403)	Swaps	(260)	550,733
Receive fixed interest rate swaps	Investment revenue	4,207	Swaps	(366)	75,724
Rights	Investment revenue	1,083	Common stock	335	696
Total return swaps bond	Investment revenue	(93)	Swaps	(93)	3,617
Warrants	Investment revenue	(179)	Common stock	7,338	3,469
Grand Totals		$ 455,169		$112,509	

*Notional may be a dollar amount or size of underlying for futures and options, negative values refer to short positions.

Credit Risk. The System is exposed to credit risk on derivative instruments that are in asset positions. To minimize its exposure to losses related to credit risk, the investment managers use counterparty collateral in their non-exchange-traded derivative instruments. Netting arrangements are also used when entering into more than one derivative instrument transaction with a counterparty. At the present time, the System does not have a formal policy relating to counterparty collateral or netting arrangements.

The aggregate fair value of derivative instruments in asset positions as of June 30, 2015, was $513,665,000. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform. The maximum loss would, however, be reduced by the counterparty collateral and the liabilities included in netting arrangements with counterparties.

The following tables list the fair value of credit exposure per ratings of Standard & Poor's (S&P), Moody's and Fitch for the counterparties (amounts expressed in thousands):

	S&P		Moody's		Fitch
Fair Value	Rating	Fair Value	Rating	Fair Value	Rating
$ 206,384	AA	$ 246,417	Aa	$ 407,517	AA
304,537	A	267,219	A	106,108	A
2,744	BBB	29	Baa	12	BBB
				28	NR
$ 513,665		$ 513,665		$ 513,665	

Risk concentrations are presented in the table below.

Counterparty Name	Percentage of Net Exposure	S&P Rating	Fitch Rating	Moody's Rating
Toronto Dominion Bank	17%	AA	AA	Aa
HSBC Bank PLC	14	A	AA	A
Barclays Bank PLC Wholesale	12	A	A	A
Standard Chartered Bank	9	A	AA	Aa
Northern Trust Company	9	AA	AA	A
Westpac Banking Corporation	8	AA	AA	Aa
JPMorgan Chase Bank NA London	7	A	AA	Aa
Royal Bank of Canada (UK)	6	AA	AA	Aa
State Street Bank London	5	A	AA	A
UBS AG London	4	A	A	A
Bank of New York	3	A	AA	A
BNP Paribas SA	3	A	A	A

4. Investments – Component Units:

Investment accounts established by higher education institutions relate principally to endowments and trust accounts required by debt instruments and are invested in accordance with the investment policies adopted by the Board of Trustees. In general, endowment resources can be invested in debt and equity securities, and trust accounts can be invested only in debt securities. These investments include U.S. Treasury and agency obligations, corporate debt and equity securities, asset-backed securities and mutual funds that invest in government securities. The investments of the higher education foundations are not included in the GASB Statement No. 40 disclosures below because the foundations are not required to and do not follow statements of GASB.

One of the institutions, the University System of Maryland, transferred title to its endowment investments to its foundation in exchange for an equivalent proportionate interest in the long-term investment portfolio managed by the foundation. In June 2011, the institution entered into a new agreement with the foundation. The agreement is for a term of five years, with renewable two-year extensions at the option of the institution, unless notice of intent to terminate the arrangement is provided prior to the expiration of the term. If the agreement is terminated, funds invested with individual investment managers that have commitments from the foundation to maintain investments for certain minimum time periods may not be returned to the institution until those constraints have been satisfied. For reporting purposes, the foundation's investments have been reduced by the amount of the institution's investments with the foundation.

The Maryland Prepaid College Trust's Statement of Investment Policy (Investment Policy), adopted by the Board as required by the enabling legislation, allows the Trust to purchase investments including domestic, international and private equities; domestic, foreign and high yield bonds; global real estate equities; private real estate; commodities and other governmental agency instruments, as well as money market deposits based on the Investment Policy's specified portfolio allocation.

Investments of the component units are stated at fair value, which is based on quoted market prices.

The investments and maturities as of June 30, 2015, for the component units were as follows (amounts expressed in thousands):

		Investment Maturities (in Years)				
Investment Type	Fair Value	Less than 1	1-5	6-10	11-15	More than 15
U.S. Treasury obligations	$ 648		$ 389	$ 113		$ 146
U.S. government agency obligations	25,068	$ 10,211	125	178	$ 14,287	267
Bond mutual funds	626,097	626,097				
Corporate debt securities	40,895	77	715	39,997		106
Municipal bonds	4,000			4,000		
Mortgage-backed securities	44,230		39,449	4,781		
Asset-backed securities	19,685		19,685			
Money market mutual funds	70,190	70,190				
Total	$ 830,813	$ 706,575	$ 60,363	$ 49,069	$ 14,287	$ 519

In addition to the investments scheduled above, as of June 30, 2015, the component units' investments include the fair value of stock mutual funds of $28,000, corporate equity securities of $172,880,000, real estate of $9,660,000, and the share of assets invested with the foundation of $258,984,000.

Interest Rate Risk. The policy of the higher education institutions for managing their exposure to fair value loss arising from increasing interest rates is to comply with their investment policy, which sets maximum maturities for various fixed income securities. It is the practice of the Maryland Prepaid College Trust to have no investments with maturities longer than required to fund tuition obligations based on actuarial projections.

Credit Risk. The policy of the higher education institutions for reducing their exposure to credit risk is to require minimum quality ratings for fixed income securities. The Investment Policy of the Maryland Prepaid College Trust details the minimum quality standards for the Trust's bond portfolios.

As of June 30, 2015, the component units had the following investments and quality ratings (amounts expressed in thousands):

Investment Type	Fair Value	Quality Rating	Rating Organization	Percentage of Total Investments
U.S. agencies	$ 10,826	AAA/Aaa	S&P & Moody's	0.85 %
U.S. agencies	7,837	AA/Aaa	S&P & Moody's	0.62
U.S. agencies	6,405	Not rated		0.50
Money market mutual funds	67,076	Aaa	Moody's	5.27
Money market mutual funds	3,114	BBB	S&P	0.24
Bond mutual funds	6,405	BBB	S&P	0.50
Bond mutual funds	619,692	Not rated		48.70
Corporate debt securities	39,804	AAA	S&P	3.13
Corporate debt securities	110	AA	S&P	0.01
Corporate debt securities	439	A	S&P	0.03
Corporate debt securities	399	BBB	S&P	0.03
Corporate debt securities	143	Not rated		0.01
Municipal bonds	4,000	AAA	S&P	0.31
Collateralized mortgage obligations	33,203	AAA	S&P	2.61
Collateralized mortgage obligations	11,027	A	S&P	0.87
Asset-backed securities	14,367	A	S&P	1.13
Asset-backed securities	5,318	BBB	S&P	0.42
Total	$ 830,165			65.25 %

Concentration of Credit Risk. The higher education component units place no limit on the amount they may invest in U.S. government issuers. The Prepaid College Trust's guidelines limit a single investment to 5% of each bond portfolio's market value, except U.S. Treasury notes and bonds.

In addition to the Maryland Prepaid College Trust, the College Savings Plans of Maryland consists of the Maryland College Investment Plan, a fiduciary component unit. As of June 30, 2015, the Plan has $4,241,241,000, of investments held in trust for individuals and organizations.

C. *Securities Lending Transactions*:

1. Governmental and Enterprise Fund Types:

Under Section 2-603 of the State's Finance and Procurement Article, the State lends U.S. government securities to broker-dealers and other entities (borrowers). The State Treasurer's Office controls the program and authorizes all transactions. These transactions may involve certain investments held in the State treasury for the benefit of State agencies. The State's custodial bank manages the securities lending program by contracting with a lending agent who receives cash as collateral. The lending agent may use or invest cash collateral in accordance with the reinvestment guidelines approved by the State Treasurer's Office. Additionally, under the terms of the lending agreement, the lending agent indemnifies the State against any credit loss arising from investment of the collateral. The collateral will be returned for the same securities in the future. Cash collateral is initially pledged at greater than the market value of the securities lent, and additional cash collateral has to be provided by the next business day if the aggregate value of the collateral falls to less than 100 % of the market value of the securities lent.

Securities on loan at year-end are owned by the general fund and the Maryland Lottery and Gaming Control Agency and are included in the preceding Investments Note 3.B. As of year-end, the State has no credit risk exposure to borrowers because the amounts the State owes the borrowers exceed the amounts the borrowers owe the State. As of June 30, 2015, the fair value of the loaned securities and the related collateral were as follows (amounts expressed in thousands):

	Fair Value		
	Lent Securities	Collateral Received	Percent Collateralized
Securities-General fund ……	$118,530	$120,769	101.89%
Securities-MLGCA …….…….	18,847	19,183	101.79%
Total……	$137,377	$139,952	101.87%

Either the State or the borrower may terminate the lending agreements on demand. Lending agreements are usually short in duration. The duration of lending agreements is matched with the term to maturity of the investment of the cash collateral by investing only in repurchase agreements. Such matching existed at year-end. Investments made with cash received as collateral are included in the preceding Investments-Governmental Funds Schedule in Note 3.B.1.

The State's custodial bank is obligated to indemnify the State against liability for any suits, actions or claims of any character arising from or relating to the performance of the bank under the contract, except for liability caused by acts or omissions of the State.

The State did not experience any losses on their securities lending transactions for the year ended June 30, 2015.

2. Fiduciary Funds:

The Pension Trust Funds (Funds) participate in a securities lending program as permitted by the investment policies as approved by the Board of Trustees. The Fund's custodian lends specified securities to independent brokers in return for collateral of greater value. The preceding Investments-Fiduciary Funds Schedule in Note 3.B.3 includes securities lent at year-end for cash collateral and collateral received from lent securities.

Borrowing brokers must transfer in the form of cash or other securities, collateral valued at a minimum of 102% of the fair value of domestic securities and international fixed income securities, or 105% of the fair value of international equity securities on loan. Collateral is marked to market daily. If the fair value of the pledged collateral falls below the specified levels, additional collateral is required to be pledged by the close of the next business day. In the event of default by a borrowing broker, the Funds' custodial bank is obligated to indemnify the Funds if, and to the extent that, the fair value of collateral is insufficient to replace the lent securities. The Funds have not experienced any loss due to credit or interest rate risk on securities lending activity since inception of the program. As of June 30, 2015, the Funds had no credit risk exposure to borrowers because the fair value of collateral held for securities lent exceeded the fair value of the related securities, as follows (amounts expressed in thousands).

	Fair Value		
	Lent Securities	Collateral Received	Percent Collateralized
Lent for cash collateral:			
U.S. government and agency securities	$ 291,151	$ 296,958	102.0 %
U.S. corporate bond and equity securities	597,231	608,539	101.9
International fixed income securities	13,561	13,885	102.4
International equities	188,550	200,749	106.5
Lent for noncash collateral:			
U.S. government and agency securities	54,867	56,022	102.1
U.S. corporate bond and equity securities	158,501	162,157	102.3
International equities	4,901	5,178	105.7
Total securities lent	$ 1,308,762	$1,343,488	102.7 %

During fiscal year 2015, the Funds maintained the right to terminate securities lending transactions upon notice. Cash collateral is invested in one of the lending agent's short-term investment pools, which as of June 30, 2015, had an average duration of 34 days and an average final maturity of 103 days. Because the relationship between the maturities of the investment pools and the Fund's security loans is affected by the maturities of the loans made by other entities that use the agent's pools, the Funds cannot match maturities. The Funds have received cash or securities that can be sold or pledged without a borrower default.

4. Receivables:

Taxes receivable, as of June 30, 2015, consisted of the following (amounts expressed in thousands).

	Major Governmental Funds			
	General	Special Revenue	Non-Major Governmental Funds	Total Governmental Funds
Income taxes	$ 810,465			$ 810,465
Sales and use taxes	452,998			452,998
Transportation taxes, primarily motor vehicle fuel and excise		$140,711		140,711
Other taxes, principally alcohol, tobacco and property	47,367		$ 24,159	71,526
Less: Allowance for uncollectible	9,013			9,013
Taxes receivable, net	$ 1,301,817	$140,711	$ 24,159	$ 1,466,687

Tax revenues are reported net of uncollectible amounts. Total uncollectible amounts related to tax revenues of the current period were $1,502,000.

Other accounts receivable in the governmental funds of $813,586,000, including $94,027,000, due in excess of one year, consisted of various miscellaneous receivables for transportation costs, collection of bills owed to the State's collection unit, Medicaid reimbursements, child support and public assistance overpayments and the tobacco settlement.

Other accounts receivable for the enterprise funds of $379,150,000, primarily consisted of $185,138,000, due to the Unemployment Insurance Program from employers and for benefit overpayments, $89,212,000, due to the Community Development Administration from accrued interest and claims receivable on foreclosed and other loans and $33,422,000, due to the Maryland Lottery and Gaming Control Agency from lottery retailers for ticket sale proceeds and from casino operators for gross terminal revenue and table game revenue.

5. Deferred Outflows of Resources and Deferred Inflows of Resources:

Deferred outflows of resources and deferred inflows of resources are reported when a given item that otherwise meets the definition of a revenue or expenditure/expense relates to a future period. These deferred amounts apply to governmental activities, business-type activities, proprietary funds, and fiduciary funds, except that deferred inflows apply to governmental funds for revenues that are not considered to be available to liquidate liabilities of the current period.

As of June 30, 2015, the State's deferred outflows of resources and deferred inflows of resources consist of the following components (amounts expressed in thousands).

	Governmental Funds				
	General Fund	Special Revenue Fund	Governmental Activities	Business-Type Activities	Component Units
Deferred Outflows of Resources:					
Loss on Refunding of Debt – Refunding of some previously outstanding general obligation bonds and revenue bonds resulted in losses ……..			$ 331,117	$8,794	$ 21,160
Interest Rate Exchange Agreements (Swaps) - CDA has entered into pay-fixed, receive- variable interest rate swap agreements in connection with certain variable rate bond series……..				13,172	
Pension-related deferred outflows (see Note 15)			1,822,627	27,988	135,046
Total for Deferred Outflows of Resources……			$ 2,153,744	$ 49,954	$ 156,206
Deferred Inflows of Resources:					
Governmental fund receivables for revenues that are not considered to be available to liquidate liabilities of the current period……	$ 521,284	$ 138,261			
Gain on Refunding of Debt – Refunding of some previously outstanding residential revenue bonds - deferred bond premiums…….				$ 121	
Service Concession Arrangement receipts of the:					
Maryland Department of Transportation..…….			$ 50,945		
Maryland Transportation Authority……				54,991	
University System of Maryland…….					$ 344,000
Pension-related deferred inflows (see Note 15)			1,746,754	21,363	88,869
Total for Deferred Inflows of Resources…….	$ 521,284	$ 138,261	$ 1,797,699	$ 76,475	$ 432,869

6. Loans and Notes Receivable and Investment in Direct Financing Leases:

A. Loans and Notes Receivable:

Loans and notes receivable, as of June 30, 2015, consisted of the following (amounts expressed in thousands).

	Primary Government			Component Units	
	General	Non-major Governmental Funds	Enterprise	Higher Education	Other
Notes receivable:					
Political subdivisions:					
Water quality projects		$ 1,541	$ 1,074,610		
Public school construction		38			
Other			148,463		
Volunteer fire & rescue companies	$ 9,521				
Permanent mortgage loans			2,366,024		
Student and health profession loans				$ 74,817	
Shore erosion loans	7,901				
Other	144			6,599	$ 9,295
Total	17,566	1,579	3,589,097	81,416	9,295
Less: Allowance for possible loan losses			342,416	13,992	3,976
Loans and notes receivable, net	17,566	1,579	3,246,681	67,424	5,319
Due within one year	2,189	87	153,094	9,650	782
Due in more than one year	$ 15,377	$ 1,492	$ 3,093,587	$ 57,774	$ 4,537

Certain notes receivable for advances of general obligation bond proceeds bear interest at rates ranging from 3.3% to 8.8% and mature within 18 years.

Water quality project loans consist of loans to various local governments and other governmental entities in the State for wastewater and drinking water projects under the United States Environmental Protection Agency's (EPA) Capitalization Grants for State Revolving Funds' Federal assistance program.

The permanent mortgage loans consist of financing for single and multi-family projects, rental projects, small businesses, industrial sites and various other purposes. Substantially all of the loans are secured by first liens on the related property and are insured or credit enhanced by the Federal Housing Administration mortgage insurance programs, the Veterans Administration and USDA/RD guarantee programs, Federal Home Loan Mortgage Corporation (Freddie Mac), FNMA, GNMA, Maryland Housing Fund or by private mortgage insurance policies.

Student and health profession loans are made pursuant to student loan programs funded through the U.S. Government.

B. Investment in Direct Financing Leases:

Enterprise Funds:

As of June 30, 2015, the Maryland Transportation Authority (Authority) has direct financing leases with the State's Department of Transportation, the Washington Metropolitan Area Transit Authority (WMATA), and the general fund. The present value of direct financing leases as of June 30, 2015, was $443,294,000. As of June 30, 2015, the Authority held $117,275,000, to be spent to complete assets under these direct financing leases. Lease payments receivable, including unearned interest for each of the five succeeding fiscal years and thereafter, including repayment of amounts to be spent, consist of the following (amounts expressed in thousands).

2016	$	27,844
2017		27,464
2018		28,264
2019		29,434
2020		30,750
2021-2025		163,300
2026-2030		145,180
2031-2035		64,790
Total		517,026
Unearned interest income		43,543
Total lease payments		560,569
Less: Restricted investments related to unexpended bond proceeds		117,275
Net investment in direct financing leases	$	443,294

Component Units:

As of June 30, 2015, the Maryland Stadium Authority (Authority) has direct financing leases with the State. The present value of the direct financing leases as of June 30, 2015, is $140,559,000. As of June 30, 2015, the Authority held $871,000, to be spent to complete assets under these direct financing leases. Lease payments receivable, including unearned interest for each of the five succeeding fiscal years and thereafter, including repayment of amounts to be spent, consist of the following (amounts expressed in thousands).

2016	**$**	25,403
2017		24,043
2018		23,965
2019		23,954
2020		23,854
2021-2025		45,647
2026-2030		6,432
Total		173,298
Less: unearned interest income		31,868
Net lease payments		141,430
Less: Restricted investments related to unexpended bond proceeds		871
Net investment in direct financing leases	$	140,559

7. Restricted Assets:

Certain assets of the governmental activities, business-type activities and component units are classified as restricted assets on the Statement of Net Position. The purpose and amount of restricted assets as of June 30, 2015, are as follows (amounts expressed in thousands).

Amount	Purpose
Governmental Activities:	
$ 12,808	Represents money restricted for construction retainages related to highway and airport projects
216,916	Represents State property taxes restricted to pay debt service on general obligation debt
10,057	Represents certificates of deposit linked to funds loaned under the State's housing loan program ($2,096) and certificates of deposit restricted for Agricultural Land Preservation easement purchases ($7,961)
$ 239,781	

Business-type Activities:	
$ 2,848,124	Assets of the Community Development Administration and State Funded Loan programs are restricted for various mortgage loans for low-income housing and loans for local governments' public facilities
365,378	The purpose of the restricted assets is to secure the revenue bonds of the Maryland Water Quality Administration made for waste-water treatment systems and bay restoration
1,190,273	Restricted assets represent deposits with the U.S. Treasury and amounts due from employers to pay unemployment compensation benefits in accordance with Federal statute
42,451	Restricted assets in the Maryland Lottery and Gaming Control Agency include cash held in separate annuity contracts and coupon bonds for winning lottery ticket payouts; escrow deposits from lottery agents, casino operator license applicants and other gaming license applicants prior to being recognized as revenue.
364,226	Cash and investments have been restricted in accordance with revenue bond debt covenants of the Maryland Transportation Authority for completion of capital projects and debt service
83,334	Assets have been restricted by the Maryland Housing Fund to pay possible future claims under insurance for losses on mortgage loans
$ 4,893,786	
Component Units:	
$ 58,454	Restricted assets of higher education include funds held by the trustee for future construction projects and to pay debt service and cash restricted for endowment purposes
2,270	Restricted assets of Maryland Stadium Authority include cash and investments that relate to revenue bond indentures
2,424	Restricted assets include cash and investments that relate to revenue bond indentures and to restricted project funds for the provision of water supply and waste-water treatment by the Maryland Environmental Service
$ 63,148	

8. Interfund Receivables and Payables:

Interfund balances, as of June 30, 2015, consisted of the following (amounts expressed in thousands).

Receivable Fund	Payable Fund	Amount	
General Fund	Special Revenue Fund	$ 3,565	(a)
	Non-Major Governmental Funds	60,628	(b)
	Enterprise Funds –		
	Economic Development Loan Programs	2,531	(c)
	Maryland Lottery and Gaming Control Agency	174,346	(d)
		$241,070	
Special Revenue Fund	General Fund	$ 46,050	(e)
	Enterprise Funds -		
	Maryland Transportation Authority	84,366	(f)
		$130,416	
Enterprise Funds -			
Economic Development Loan Programs	General Fund	$27,430	(g)
	Non-major governmental funds	38,747	(h)
Unemployment Insurance Program	General Fund	2,291	(g)
Maryland Transportation Authority	Special Revenue Fund	4,444	(i)
		$ 72,912	
Agency Fund -			
Local Income Taxes	General Fund	$650,000	(j)

The receivable and payable transactions between the governmental funds and the enterprise funds are reported as due from and due to other funds. The receivable and payable transactions between the agency fund and the general fund are reported as accounts receivable from State treasury by the agency fund and due to other funds by the general fund.

The receivable and payable transactions between the Primary Government and Component Units, as of June 30, 2015, consist of the following (amounts expressed in thousands).

Receivable Fund	Payable Fund	Amount
General Fund	Higher Education Fund	$ 690
		$ 690
Component Units –	Agency Fund –	
Maryland Stadium Authority	Local Transportation Funds and Other Taxes	$ 5,909
Maryland Technology Development Corp.	General Fund	10,217
		$ 16,126

The receivable and payable transactions between the general fund and component unit are reported as due from/due to component units and due to/due from primary government. The receivable and payable transactions between the component unit and agency fund are reported as due from primary government by the component unit and accounts payable and accrued liabilities by the agency fund.

(a) The amount represents Transportation Trust Fund revenues transferred to the general fund in July and August, 2015.
(b) This amount represents an overdraft in the non-major governmental funds' share of pooled invested cash.
(c) This amount represents payable balances for economic development loan program transfers.
(d) This amount represents monies collected by the Maryland Lottery and Gaming Control Agency in June, 2015, and paid to the general fund in July, 2015.
(e) The amount represents income and sales tax subsidies and return of health insurance costs from the general fund.
(f) The Maryland Transportation Authority collects fees for the special revenue fund. The money will be used to build and maintain special revenue fund infrastructure, structures and other improvements.
(g) These amounts represent receivable balances from general fund subsidies.
(h) Bond funds collected by the capital projects fund on behalf of the economic development loan programs.
(i) The Maryland Transportation Authority receives rent, interest income and fees for services from the special revenue fund.
(j) The loans were made in accordance with Section 2-606 of Tax-General Article of the Annotated Code of Maryland from the reserve of unallocated tax revenue that the Comptroller estimates will be claimed and refunded to taxpayers within 3 years of the date that the income tax return was filed. The money will be used to provide funding for public elementary and secondary education and the Maryland Medicaid Program among other uses.

All Interfund balances except for (j) above, are expected to be repaid by June 30, 2016. For (j) above, the General Fund is required to pay to the agency fund $33,333,000, a year in each of fiscal years 2021 through 2026 and $10,000,000, a year in each of fiscal years 2016 through 2025. The remaining balance is due to pay local income taxes at unspecified dates in the future.

9. Interfund Transfers:

Interfund transfers, for the year ended June 30, 2015, consisted of the following (amounts expressed in thousands).

Transfers In	Transfers Out	Amount
General Fund	Special Revenue Fund	$ 72,777
	Non-major Governmental Funds	11,715
	Enterprise Funds –	
	Maryland Lottery and Gaming Control Agency	1,026,204
	Economic Development Loan Programs	6,122
	Non-major Enterprise Funds	1,000
		$ 1,117,818
Special Revenue Fund	General Fund	$ 223,936
Non-major Governmental Funds	General Fund	$ 176,387
	Special Revenue Fund	248,348
		$ 424,735
Enterprise Funds -		
Loan Programs	General Fund	$ 39,584
	Non-major Governmental Funds	42,911
	Non-major Enterprise Funds	879
		$ 83,374

Transfers are primarily used to 1) transfer revenues from the fund required by statute or budget to collect the revenue to the fund required by statute or budget to expend them, 2) transfer receipts restricted to debt service from the funds collecting the receipts to the non-major governmental funds as debt service payments become due, and 3) provide unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In addition, the non-major governmental funds transferred $8,656,000, of Program Open Space funds, $784,000, of interest earned on bonds, $995,000, for expenses for bond sales and $1,280,000, for project rescissions to the general fund.

The Maryland Lottery and Gaming Control Agency transferred revenue in excess of funds allocated to prize awards, casino operators, operating expenses and capital expenditure payments in the amount of $1,026,204,000, to the general fund. The general fund transferred $39,584,000, to support the operations of Enterprise Funds – Loan Programs, and the Enterprise Funds – Loan Programs transferred $6,122,000, of unused funds to the general fund. Expenditures for capital projects of $42,911,000, were transferred to Enterprise Funds – Loan Programs.

During the year, the general fund and other governmental funds had expenditures of $1,346,139.000, and $282,411,000, respectively, that were for funds provided to supplement revenues and construction costs, respectively, of the higher education component units. The general fund also had net expenditures of $20,034,000, that were for funds provided to supplement revenues of the Maryland Stadium Authority. The general fund transferred $20,769,000, to the non-major component unit, the Maryland Technology Development Corporation, for Maryland Stem Cell Research and other operating grants.

10. Capital Assets:

A. Capital Assets, Primary Government:

Capital assets activity by asset classification net of accumulated depreciation, for the year ended June 30, 2015, was as follows (amounts expressed in thousands).

Governmental activities:

Classification	Balance July 1, 2014	Additions	Deletions	Transfers in (out)	Balance June 30, 2015
Capital assets, not depreciated,					
Land and improvements	$ 3,378,398	$ 47,933	$ 6,119	$ 32,059	$ 3,452,271
Art and historical treasures	22,349	133			22,482
Construction in progress	3,501,898	1,052,862	13,362	(391,521)	4,149,877
Total capital assets, not depreciated	6,902,645	1,100,928	19,481	(359,462)	7,624,630
Capital assets, being depreciated					
Structures and improvements	6,809,886	75,747	3,781	168,137	7,049,989
Equipment	3,075,171	128,577	36,658	40,313	3,207,403
Infrastructure	21,628,581	685,696	3,640	151,012	22,461,649
Total capital assets, being depreciated	31,513,638	890,020	44,079	359,462	32,719,041
Less accumulated depeciation for,					
Structures and improvement	3,183,656	191,959	2,041		3,373,574
Equipment	2,211,191	180,668	47,416		2,344,443
Infrastructure	12,202,605	840,323	3,524		13,039,404
Total accumulated depreciation	17,597,452	1,212,950	52,981		18,757,421
Total capital assets, net	$ 20,818,831	$ 777,998	$ 10,579	$ -	$ 21,586,250

Business-type activities:

Classification	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets, not depreciated,				
Land and land improvements	$ 391,734	$ 376		$ 392,110
Construction in progress	1,441,483	320,954	$ 410,445	1,351,992
Total capital assets, not depreciated	1,833,217	321,330	410,445	1,744,102
Capital assets, being depreciated,				
Structures and improvements	113,433	37,522	940	150,015
Equipment	140,648	67,625	43,071	165,202
Infrastructure	4,961,606	399,092	24,228	5,336,470
Total-Capital assets, being depreciated	5,215,687	504,239	68,239	5,651,687
Less: accumulated depreciation,				
Structures and improvements	23,979	1,769	752	24,996
Equipment	103,123	14,825	39,141	78,807
Infrastructure	1,375,895	106,560	20,221	1,462,234
Total accumulated depreciation	1,502,997	123,154	60,114	1,566,037
Total capital assets, net	$ 5,545,907	$ 702,415	$ 418,570	$ 5,829,752

B. Depreciation Expense, Primary Government:

The depreciation expense for the year ended June 30, 2015, for the primary government was charged as follows (amounts expressed in thousands).

Governmental activities:

Function	Amount
General government	$ 33,878
Education	4,202
Human resources	15,953
Health and mental hygiene	13,310
Environment	2,563
Public safety	41,506
Housing and community development	17
Natural resources and recreation	20,398
Transportation	1,048,988
Agriculture	27,710
Labor, licensing and regulation	477
Judicial	3,948
Total depreciation expense – governmental activities	$ 1,212,950

Business-type activities:

Function	Amount
MLGCA	$ 9,828
Transportation Authority	112,177
Maryland Correctional Enterprises	1,135
Economic Development Loan Programs	14
Total depreciation expense – business-type activities	$ 123,154

11. Long-Term Obligations:

A. Governmental Activities:

Changes in governmental activities' long term debt, for the year ended June 30, 2015, were as follows (amounts expressed in thousands).

	Balance July 1, 2014, as restated	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Bonds and Notes Payable:					
General Obligation Bonds	$ 8,362,347	$ 2,037,700	$ 1,722,833	$ 8,677,214	$ 752,554
Transportation Bonds	1,812,671	661,250	453,671	2,020,250	174,165
Add: Issuance premiums	1,029,910	442,324	135,144	1,337,090	
Total bonds and notes payable	11,204,928	3,141,274	2,311,648	12,034,554	926,719
Other Liabilities:					
Compensated absences	392,121	212,876	199,277	405,720	196,213
Self insurance costs	355,946	1,422,219	1,423,624	354,541	142,153
Net pension liability	18,023,157	50,220	1,617,115	16,456,262	
Net other post employment benefits obligation	4,231,742	202,903		4,434,645	
Obligations under capital leases	915,393	43,676	29,390	929,679	61,264
Obligations under capital leases with component units	163,574		23,015	140,559	19,025
Pollution remediation	170,864	150	1,757	169,257	628
Agricultural preservation installment obligation	6,299	3,369	1,707	7,961	2,391
Total other liabilities	24,259,096	1,935,413	3,295,885	22,898,624	421,674
Total long-term liabilities - governmental activities	$ 35,464,024	$ 5,076,687	$ 5,607,533	$ 34,933,178	$ 1,348,393

General Obligation Bonds –

General obligation bonds are authorized and issued primarily to provide funds for State owned capital improvements, facilities for institutions of higher education and the construction of public schools in political subdivisions. Bonds have also been issued for local government improvements, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for loans or outright grants to private, not-for-profit cultural or educational institutions. Under constitutional requirements and practice, the Maryland General Assembly, by a separate enabling act, authorizes loans for particular objects or purposes. Thereafter, the Board of Public Works, a constitutional body comprised of the Governor, the Comptroller and the State Treasurer, by resolution, authorizes the issuance of bonds in specified amounts. Bonds are issued and accounted for on a "cash flow" basis rather than a "project" basis and are not sold to specifically fund an enabling act. General obligation bonds are subject to arbitrage regulations. However, there are no major outstanding liabilities in connection with these regulations as of June 30, 2015. Bonds are subject to redemption provisions at the option of the State.

General obligation bonds, which are paid from the general obligation debt service fund, are backed by the full faith and credit of the State and, pursuant to the State Constitution, must be fully paid within 15 years from the date of issue. Property taxes, bond premiums, interest subsidy payments from the Federal government, debt service fund loan repayments and general fund and capital projects fund appropriations provide the resources for repayment of general obligation bonds. During fiscal year 2015, the State issued $2,037,700,000, of general obligations at a premium of $350,766,000, with related issuance costs of $7,098,000.

Included in bond issuances were $1,015,075,000, to refund certain outstanding general obligation bonds issued between 2007 and 2014. From the refunding bonds and related premium of $204,099,000, $1,215,801,000, was transferred to an escrow account and used to purchase U.S. Government securities. These securities will be used to secure the principal and interest related to the refunded bonds. The interest rates on the refunded bonds range from 4.0% to 5.0%. The purpose of the refunding was to realize savings on debt service costs. The aggregate difference in debt service between the refunded debt and the refunding debt is $98,160,000. The economic gain on the transaction, that is, the difference between the present value of the debt service streams for the refunding debt and refunded debt, is $80,125,000.

Refunded bonds of $2,269,000,000, maturing in fiscal years 2016-2027 and callable in fiscal years 2016-2022 were considered defeased as of June 30, 2015. Accordingly, the trust account assets and the liability for the defeased bonds are not included in these financial statements.

General obligation bonds issued and outstanding, as of June 30, 2015, were as follows (amounts expressed in thousands).

Issue	Maturity	Interest Rates	Annual Principal Installments	Principal Issued	Principal Outstanding
3/08/01	2004-2016	4.0-5.5 %	$20,535	$ 200,000	$ 20,535
7/26/01	2005-2017	5.0-5.5	19,310-20,285	200,000	39,595
11/21/01 (b)	2016	-	18,098	18,098	18,098
3/21/02 (a)	2003-2017	5.3-5.5	18,915-19,765	309,935	38,680
8/15/02 (a)	2003-2018	4.8-5.5	20,650-23,055	515,830	65,525
3/06/03	2006-2018	5.3	45,195-49,830	500,000	142,480
11/30/04 (b)	2020	-	9,043	9,043	9,043
8/11/05	2009-2016	4.3-5.0	34,125	430,000	34,125
3/23/06	2009-2016	4.0-5.0	22,115	280,000	22,115
8/10/06	2011-2017	4.3-5.0	26,500-27,860	350,000	54,360
12/20/06 (b)	2022	-	4,378	4,378	4,378
3/15/07	2010-2017	5.0	24,815-26,060	325,000	50,875
8/16/07	2011-2023	5.0	26,965-38,265	375,000	85,110
12/18/07 (b)	2023	-	4,986	4,986	4,986

3/12/08	2011-2016	4.0-5.0	28,820	400,000	28,820
7/28/08	2012-2024	5.0	28,500-41,705	415,000	121,945
12/16/08 (b)	2010-2021	1.6	464	5,563	2,781
3/16/09 (f)	2012-2023	4.0-5.0	7,900-28,865	199,220	86,790
3/16/09 (g)	2013-2024	2.0-5.0	5,800-42,125	225,780	25,945
8/18/09 Ser A	2013-2024	2.0-5.0	10,335-32,040	235,000	92,450
8/18/09 Ser B	2013-2024	4.0-5.3	13,705-25,775	200,000	125,790
8/18/09 (c)	2025	4.6	50,000	50,000	50,000
11/03/09	2013-2022	5.0	13,020-16,720	141,800	88,855
11/03/09 (c)	2023-2025	4.5-4.8	18,400-20,400	58,200	58,200
12/16/09 (d)	2025	-	50,320	50,320	50,320
12/17/09 (b)	2011-2025	1.6	371	5,563	3,709
12/18/09 (a)	2016-2021	2.0-5.0	29,560-178,775	602,765	602,765
3/09/10 (c)	2019-2025	4.0-4.6	52,450 - 62,170	400,000	400,000
3/09/10 (a)	2018-2023	3.0-5.0	2,330 - 60,600	195,315	195,315
8/10/10 Ser A	2014-2019	2.0-5.0	17,625 - 41,020	143,335	101,210
8/10/10 Ser B	2014-2022	2.5-5.0	15,400 - 44,765	221,665	135,090
8/10/10 (c)	2023-2026	4.2-4.3	17,960 - 19,575	75,000	75,000
8/10/10 (d)	2026	4.4	45,175	45,175	45,175
12/08/10 (b)	2026	5.0	4,543	4,543	4,543
3/22/11 (h)	2014-2026	2.0-5.0	1,635 - 18,505	130,770	71,345
3/22/11 (i)	2014-2026	3.0-5.0	1,875 - 43,505	354,230	153,365
8/05/11 (h)	2015-2026	2.0-4.0	975 - 11,195	71,730	41,290
8/05/11 (i)	2015-2027	3.5-5.0	19,620 - 46,090	418,270	228,010
8/05/11 (b)	2027	4.2	15,900	15,900	15,900
8/05/11 (j)	2027	4.2	6,500	6,500	6,500
9/28/11 (a)	2020	1.2	30,025 - 61,040	254,915	215,275
3/20/12 (h)	2027	2.2	1,050 - 7,385	56,085	32,055
3/20/12 (i)	2027	2.4	30,300 - 54,210	543,915	424,685
3/20/12 (a)	2023	1.7	25,055 - 40,005	138,380	138,380
8/14/12 (h)	2016-2028	2.5	70-9,290	26,340	26,145
8/14/12 (i)	2016-2028	2.2	3,650-48,770	478,660	478,660
8/14/12 (e)	2016	0.4	23,000	23,000	23,000
8/14/12 (b)	2028	2.8	15,230	15,230	15,230
8/14/12 (a)	2019-2021	1.3	22,905-105,425	183,795	183,795
3/15/13 (i)	2016-2028	2.4	28,415-49,105	500,000	418,040
3/15/13 (a)	2018-2022	1.1	4,215-66,135	165,135	165,135
8/06/13 (i)	2018-2029	3.2	16,295-46,770	435,000	396,895
8/06/13 (e)	2017-2018	1.2	12,155-27,845	40,000	40,000
12/19/13 (b)	2015-2029	-	303	4,549	4,246
3/18/14 (i)	2018-2029	2.8	12,145-46,695	450,000	409,770
3/18/14 (e)	2017-2018	0.9	19,090-30,910	50,000	50,000
3/18/14 (a)	2015-2022	1.2	15,440-83,410	236,855	217,185
8/05/14 (h)	2017-2020	2.0-5.0	4,870-31,675	50,385	50,385
8/05/14 (i)	2017-2029	3.0-5.0	22,490-48,920	449,615	449,615
8/05/14 (a)	2020-2024	5.0-5.3	35,500-201,915	649,715	649,715
12/18/14 (b)	2016-2030	-	308	4,625	4,625
3/17/15 (i)	2018-2030	3.0-5.0	29,245-52,520	518,000	518,000
3/17/15 (a)	2020-2026	4.0	1,135-170,850	365,360	365,360
		Totals		$ 13,833,473	$ 8,677,214

(a) Includes refunding debt

(b) Includes Qualified Zone Academy Bonds for which the purchaser may receive Federal tax credits each year the bonds are outstanding

(c) Includes federally taxable Build America Bonds for which the State receives a subsidy payment from the Federal Government equal to 35% of interest payments
(d) Qualified School Construction Bonds for which the purchaser receives Federal tax credits each years the bonds are outstanding
(e) Taxable Bond Sale
(f) Institutional Bond Sale
(g) Retail Bond Sale
(h) Negotiated Bond Sale
(i) Competitive Bond Sale
(j) Qualified Energy Construction Bond Sale

General obligation bonds authorized, but unissued, as of June 30, 2015, totaled $2,559,720,000.

As of June 30, 2015, general obligation debt service requirements for principal and interest in future years were as follows (amounts expressed in thousands).

Years Ending June 30,	Principal	Interest
2016	$ 752,554	$ 368,508
2017	785,831	335,628
2018	836,101	299,838
2019	794,441	261,144
2020	788,284	221,940
2021 - 2025	3,274,280	630,778
2026 - 2030	1,445,723	108,894
Total	$ 8,677,214	$ 2,226,730

Subsequent to June 30, 2015, on August 3, 2015, general obligation bonds aggregating $500,000,000, were issued for capital improvements. The general obligation bonds have interest rates ranging from 1.2% to 5.0% and mature through 2031.

Transportation Bonds –

Transportation bonds outstanding as of June 30, 2015, were as follows (amount expressed in thousands).

	Outstanding
Consolidated Transportation Bonds – 2.0% to 5.5%, due serially through 2030 for State transportation activity	$1,622,645
Consolidated Transportation Bonds, Refunding – 5%, due serially through 2023 for State transportation activity	397,605
Total	$2,020,250

Consolidated Transportation Bonds are limited obligations issued by the Maryland Department of Transportation (Department) for highway, port, airport, rail, or mass transit facilities, or any combination of such facilities. The principal must be paid within 15 years from the date of issue.

As provided by law, the General Assembly shall establish in the budget for any fiscal year a maximum outstanding aggregate amount of these Consolidated Transportation Bonds as of June 30 of the respective fiscal year that does not exceed $4,500,000,000, through June 30, 2015, and thereafter. The aggregate principal amount of those bonds that was allowed to be outstanding as of June 30, 2015, was $2,530,255,000. The aggregate principal amount of Consolidated Transportation Bonds outstanding as of June 30, 2015, was $2,020,250,000. Consolidated Transportation Bonds are payable from the proceeds of certain excise taxes levied by statute, a portion of the corporate income tax and a portion of the State sales tax credited to the Department. These amounts are available to the extent necessary for that exclusive purpose before being available for other uses

by the Department. If those tax proceeds become insufficient to meet debt service requirements, other receipts of the Department are available for that purpose. The holders of such bonds are not entitled to look to other State resources for payments.

Under the terms of the authorizing bond resolutions, additional Consolidated Transportation Bonds may be issued, provided, among other conditions, that (1) total receipts (excluding Federal funds for capital projects, bond and note proceeds, and other receipts not available for debt service), less administration, operation and maintenance expenses for the preceding fiscal year, equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued, and that (2) total proceeds from pledged taxes equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued.

The 2014 session of the General Assembly established a maximum outstanding principal amount of $726,600,000, as of June 30, 2015, for all nontraditional debt of the Department. Nontraditional debt outstanding is defined as any debt instrument that is not a Consolidated Transportation Bond or GARVEE bond (tax-exempt debt backed by annual federal appropriations for federal-aid transportation projects). This debt includes certificates of participation, debt backed by customer facility charges, passenger facility charges, or other revenues, and debt issued by the Maryland Economic Development Corporation or any other third party on behalf of the Department. As of June 30, 2015, the Department's nontraditional debt outstanding was $748,328,000, and was reported as obligations under capital leases and includes funds held by the bond trustee under these agreements.

Arbitrage regulations are applicable to the transportation bonds payable. The Department estimates there are no material liabilities for arbitrage rebates as of June 30, 2015.

During the year, the Department issued Consolidated Transportation Bonds in the amount of $401,535,000, with net premiums of $49,453,000, with maturities ranging from February 2018 to June 2030, and with interest rates ranging from 2.8% to 5.0%.

The Department also issued Consolidated Transportation Refunding Bonds in the amount of $259,715,000, with a net premium of $42,105,000, during the year to advance refund certain maturities of outstanding Consolidated Transportation Bonds. The refunding bonds have maturities ranging from February 2016 to February 2023, at an interest rate of 5%. The net proceeds of issuance were used to purchase open market securities and were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the previously outstanding refunded bonds are considered to be defeased and liabilities for these bonds have been extinguished. The aggregate difference in debt service between the refunded debt and refunding debt is $28,815,000. The economic gain on the transaction is $21,119,000. As of June 30, 2015, the Department has $301,255,000, of defeased debt outstanding.

As of June 30, 2015, Department bond debt service requirements for principal and interest in future years were as follows (amounts expressed in thousands).

	Consolidated Transportation Bonds	
Years Ending June 30,	Principal	Interest
2016	$ 174,165	$ 83,829
2017	207,185	80,577
2018	221,710	70,617
2019	182,375	60,513
2020	152,340	51,883
2021-2025	715,920	151,901
2026-2030	366,555	35,198
Total	$ 2,020,250	$ 534,518

County Transportation Bonds are issued by the Department and the proceeds are used by participating counties and Baltimore City to fund local road construction, reconstruction and other transportation projects and facilities and to provide local

participating funds for Federally-aided highway projects. Debt service on these bonds is payable from the participating counties' and Baltimore City's share of highway user revenues. County transportation debt is the obligation of the participating counties rather than the Department. Unexpended bond proceeds in the amount of $3,679,000, and certain debt service sinking fund amounts aggregating $12,233,000, were invested in money market accounts as of June 30, 2015. These funds are restricted for project funds and county bond debt service, respectively, and are reported as cash and cash equivalents in the agency funds. At year end, $87,860,000, in County Transportation Revenue Bonds were outstanding.

Obligations Under Capital Leases –

Obligations under capital leases as of June 30, 2015, bore interest at annual rates ranging from 0.1% to 6.7%. Capital lease obligations with third parties in fiscal year 2015 increased by $43,676,000, for master equipment leases entered into by the general fund and transportation related projects in the amount of $40,000,000, entered into by the Maryland Department of Transportation. The capital leases with component units include the general fund's capital leases with the Maryland Stadium Authority, which are being paid with the net proceeds transferred from certain lottery games. Following is a schedule of annual future minimum payments under these obligations, along with the present value of the related net minimum payments as of June 30, 2015 (amounts expressed in thousands).

	Capital Lease Obligations with	
Years Ending June 30,	Third Parties	Component Units
2016	$ 104,429	$ 25,403
2017	101,358	24,043
2018	97,900	23,965
2019	96,610	23,954
2020	95,595	23,854
2021-2025	433,945	45,647
2026-2030	313,075	6,432
2031-2035	81,681	
Total future minimum payments	1,324,593	173,298
Less: Amount representing interest	325,427	31,868
Less: Restricted cash and investments	69,487	871
Present value of net minimum payments	$ 929,679	$ 140,559

The reduction shown for restricted cash and investments in the amounts of $69,487,000, and $871,000, is monies held by the bond trustee to be used primarily for construction expenditures.

The assets acquired through capital leases were as follows (amounts expressed in thousands).

	Third Parties
Asset	Amount
Construction in progress	$ 338,074
Land and improvements	19,406
Buildings and improvements	1,320,810
Machinery and equipment	235,362
Infrastructure	330,943
Total acquired assets	2,244,595
Less: Accumulated depreciation	810,125
Total capital assets - net	$1,434,470

Pollution Remediation Obligations –

The State has recognized a pollution remediation obligation on the statement of net position for governmental activities. A pollution remediation obligation is a liability which addresses the current or potential detrimental effects of existing pollution

and may include pre-cleanup activities (site assessment, feasibility study), cleanup activities (neutralization, containment, removal and disposal, site restoration), oversight and enforcement and post remediation monitoring.

Obligating events initiate the recognition of a pollution remediation liability. These events include any of the following.

(a) There is an imminent danger to the public.
(b) The State is in violation of a related permit or license.
(c) The State is identified as a responsible party or potentially responsible party (PRP) by a regulator.
(d) The State is named or has evidence that it will be named in a lawsuit.
(e) The State commences, or legally obligates itself to commence, pollution remediation activities.

The pollution remediation obligation is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. The liability is recognized as it becomes estimable. In some cases, this may be at inception. In other cases, components of a liability (for example, legal services, site investigation or required post remediation monitoring) are recognized as they become reasonably estimable. At a minimum, the liability is reviewed for sufficiency when various benchmarks occur, such as receipt of an administrative order, participation as a responsible party or PRP in a site assessment, completion of a corrective measures feasibility study, issuance of an authorization to proceed, and as remediation is implemented and monitored.

Measurement of the liability is based on the current value of outlays expected to be incurred using the expected cash flow technique. This technique measures the liability as the sum of probability-weighted amounts in a range of possible estimated amounts – the estimated mean or average. Expected recoveries reduce the pollution remediation expense.

The pollution remediation estimated liability is $169,257,000, with no estimated recoveries from third parties to reduce the liability. Included in this liability are cost estimates for site monitoring and repair, excavation of road and infrastructure and replacement of buildings as a result of site contaminations by hazardous materials under Federal and State law in the amount of $160,657,000. In these cases, either the State has been named in a lawsuit by a State regulator or the State legally obligated itself under the Environmental Article, Section 7-201, of the Annotated Code of Maryland.

The estimated liability also includes $8,600,000, for the clean-up of an illegal tire dump for which the State is legally obligated under the Environmental Article, Section 9-2 of the Annotated Code of Maryland.

The cost estimates and assumptions for the pollution remediation due to site contamination from hazardous materials are based on engineering design estimates. The cost estimates and assumptions for the tire dump clean-up are based on estimated unit cost of $830/ton based on historical data, fuel costs, specific site factors and oversight costs.

Agricultural Land Preservation Installment Purchase Obligation–

Under the Maryland Agricultural Land Preservation Program, the State purchases agricultural preservation easements restricting development on prime farmland and woodland.

Landowners have the option to choose a lump-sum payment option or installment payment option. The installment payment option is available by taking payments in equal amounts over two to ten years. The landowner may elect to take a certain amount in cash at the time of settlement and divide the remainder of the offer amount equally to be paid annually over the subsequent years. For the installment payments, the funds are invested by the State Treasurer in certificates of deposit at the interest rate in effect on the day of deposit in order to mature in accordance with the schedule of installments indicated by the landowners. Interest rates currently range from 0.1% to 3.4%. Each installment includes interest minus one-quarter of one percent of the interest earned. All installments are paid either April 1 or October 1 beginning the calendar year after the year settlement has occurred. Installment obligations mature through April 2024.

A summary of long-term debt outstanding for the agricultural land preservation installment purchase obligation at June 30, 2015 is as follows (amounts expressed in thousands):

Years Ending June 30,	Principal	Interest
2016	$2,391	$107
2017	1,886	65
2018	1,300	34
2019	871	21
2020	720	15
2021-2025	793	14
Total	$7,961	$256

For the governmental activities, compensated absences, self insurance, net pension liability, net other post-employment benefits obligations, obligations under capital leases, pollution remediation obligations, and Agricultural Land Preservation Installment Purchase obligations are generally liquidated by the general or special revenue fund as applicable.

B. Long Term Obligations – Business-type Activities:

Changes in long-term obligations for business-type activities as of June 30, 2015, were as follows (amounts expressed in thousands).

	Balance July 1, 2014, as restated	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Bonds Payable:					
Revenue bonds payable	$5,939,721	$423,371	$641,729	$5,721,363	$255,585
Other Liabilities:					
Lottery prizes	40,777	3,153	10,807	33,123	7,175
Escrow deposits	44,557	22,862	15,261	52,158	23,394
Rebate liability	1,516	(94)	1,372	50	50
Compensated absences	14,676	8,952	8,228	15,400	3,308
Self insurance costs	13,180	2,920	2,990	13,110	2,032
Pension liability	215,183		20,007	195,176	
Obligation under capital leases	17,480	63,867	20,632	60,715	13,250
Total other liabilities	347,369	101,660	79,297	369,732	49,209
Total long-term liabilities – business type activities	$6,287,090	$525,031	$721,026	$6,091,095	$304,794

Debt service requirements for business-type activities' notes payable and revenue bonds to maturity were as follows (amounts expressed in thousands).

	Community Development Administration		Maryland Water Quality Financing Administration		Maryland Transportation Authority	
Year Ended June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 128,705	$ 78,127	$ 12,345	$ 7,466	$ 114,535	$ 144,060
2017	95,380	74,839	9,970	6,952	134,340	139,866
2018	95,080	71,992	13,460	6,467	151,747	133,271
2019	70,840	69,133	12,445	5,811	158,849	125,998
2020	70,055	66,645	13,130	5,232	130,428	118,270
2021-2025	328,385	294,109	66,720	16,022	472,736	518,542
2026-2030	341,845	228,684	35,095	3,166	525,343	402,554

2031-2035	390,065	167,831			491,305	286,742
2036-2040	342,900	106,390			568,030	162,983
2041-2045	299,990	48,885			357,887	36,562
2046-2050	104,630	13,166			71,184	2,757
2051-2055	30,920	3,102				
2056-2060	1,585	64				
Total	2,300,380	1,222,967	163,165	51,116	3,176,384	2,071,605
Discounts and premiums	7,510		13,449		55,953	
Totals	$ 2,307,890	$ 1,222,967	$ 176,614	$ 51,116	$ 3,232,337	$ 2,071,605

Community Development Administration (Administration) – Revenue Bonds

The Administration, an agency of the Department of Housing and Community Development, has issued revenue bonds, proceeds of which were used for various mortgage loan programs. Assets aggregating approximately $2,847,756,000, and revenues of each mortgage loan program are pledged as collateral for the revenue bonds. Interest rates range from 0.2% to 6.8%, with the bonds maturing serially through 2057. The principal amount outstanding as of June 30, 2015, was $2,307,890,000. Substantially all bonds are subject to redemption provisions at the option of the Administration. Redemptions are permitted at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans. During fiscal year 2015, the Administration issued $220,208,000, of revenue bonds with interest rates ranging from 0.2% to 4.6% and maturing serially through 2057.

Included in bond issuances were $150,050,000 of Residential Revenue Bonds 2014 Series C, D, E and F bonds issued on September 25, 2014, which refunded $81,185,000 of 2004 Series A, B, G, H and I, and 2005 Series A, B, D and E bonds, in full on October 27, 2014. This economic refunding reduced CDA's exposure to variable rate debt, maintained tax yield compliance and resulted in savings of approximately $3.8 million. The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred inflow of resources at its unamortized balance is $121,000 as of June 30, 2015.

Subsequent to June 30, 2015, the Administration issued a total of $18,865,000, and redeemed a total of $66,985,000, revenue bonds.

Interest Rate Swaps:

Objective of the interest rate swap. As a means to lower its borrowing costs, when compared against fixed-rate bonds at the time of issuance, the Administration entered into interest rate swaps in connection with the variable rate revenue bonds totaling $218,130,000. The intention of the swaps was to effectively change the Administration's variable interest rate on the bonds to fixed rates.

Terms. The bonds and the related swap agreements mature from September 1, 2025 through September 1, 2043, and the swaps' notional amount of $218,130,000, matches the amount of the variable rate bonds. Under the swap agreements, the Administration pays the counterparty a fixed payment of from 3.7% to 4.8% and receives a variable payment computed as either 64% of the London Interbank Offered Rate (LIBOR) plus .2% or .3%. Conversely, the bonds' variable rate is based on the Securities Industry and Financial Markets Association Rate.

Credit risk. The fair value of the swaps represents the Administration's credit exposure to each counterparty as of June 30, 2015. The fair value of two swaps with one counterparty is ($2,344,000), the fair value of two swaps with a second counterparty is ($2,566,000), and the fair value of three swaps with a third counterparty is ($8,262,000). Therefore, the Administration is not exposed to credit risk as of June 30, 2015, because the swaps have a negative fair value. However, should the valuation of the swap change and the fair value turn positive, the Administration would be exposed to credit risk in the amount of the swap's fair value. The first counterparty is rated A by Standard & Poor's and Aa by Moody's; the second counterparty is rated Aa by Moody's and AA by Fitch; and the third counterparty is rated Aa by Moody's and A by Standard & Poor's. To mitigate the potential for credit risk, if the counterparties' credit quality falls below to A or below, the fair value of the swaps will be fully collateralized by the counterparties.

Basis risk. The swaps would expose the Administration to basis risk should the relationship between LIBOR and the Security Industry and Financial Markets Association Rate converge. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized.

Termination risk. The Administration or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The counterparty can terminate the contract if the ratings on the related bonds fall below the credit rating thresholds. If a swap is terminated, the underlying variable rate bonds may be exposed to rising interest rates. If at the time of such termination a swap has a negative fair value, the Administration would be liable to the counterparty for a payment equal to the swap's fair value along with any accrued interest.

Swap payments and associated debt. Using rates as of June 30, 2015, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for their term, are as follows (amounts expressed in thousands). As rates vary, variable rate bond interest payments and net swap payments will vary.

	Hedged Variable Rate Bonds		Interest Rate	
Year Ended June 30,	Principal	Interest	Swaps, Net	Total
2016	$ 4,110	$ 154	$ 8,449	$ 12,713
2017		153	8,001	8,154
2018	2,000	154	7,552	9,706
2019	3,300	151	7,070	10,521
2020	1,395	149	6,670	8,214
2021-2025	9,560	720	29,350	39,630
2026-2030	76,185	504	25,001	101,690
2031-2035	47,810	348	18,018	66,176
2036-2040	57,365	163	7,735	65,263
2041-2045	16,405	26	197	16,628
Total	$ 218,130	$ 2,522	$ 118,043	$ 338,695

Fair value. Because interest rates have generally decreased since execution of the swaps, the swaps have a fair value of ($13,172,000) as of June 30, 2015. The swaps' fair value may be countered by a decrease in total interest payments required under the variable rate bonds, creating a lower synthetic interest rate. Because the coupons on the Administration's variable rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value decrease.

The table below summarizes the total fair values for the Administration's interest rate swaps as of June 30, 2014 and 2015, and the changes in fair values for the year ended June 30, 2015 (amounts expressed in thousands).

	Total Fair Value at June 30, 2014	Total Fair Value at June 30, 2015	Change in Fair Value For the Period
Interest rate swaps:			
Cash flow hedges	$ (20,569)	$ (13,172)	$ 7,397

The fair value balances of derivative instruments (interest rate swaps) outstanding as of June 30, 2015, classified by type, and the changes in fair value as presented on the financial statements for the year ended June 30, 2015, are as follows (amounts expressed in thousands).

	Change in Fair Value		Fair Value at June 30, 2015		Outstanding Notional
	Classification	Amount	Classification	Amount	Amounts
Cash flow hedges:					
Pay fixed interest rate swaps	Deferred outflow	$ 7,397	Debt	$ (13,172)	$ 218,130

The fair value of the swaps is based on market value and is affirmed by an independent advisor whose valuation method and assumptions are in accordance with accounting guidance issued by GASB. The fair values of the interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on each future net settlement on the swaps.

As of June 30, 2015, all of the Administration's swaps meet the criteria for effectiveness and the swap fair values are classified as deferred outflow.

Maryland Water Quality Financing Administration (Administration) – Revenue Bonds

The Administration, an agency of the Department of Environment, has issued revenue bonds for providing loans and grants. Interest rates range from 2.6% to 4.1%, payable semiannually, with annual installments from $1,235,000, to $10,095,000, to March 1, 2029. The principal amount outstanding as of June 30, 2015, was $176,614,000. These bonds are payable solely from the revenue, money or property of the Administration.

Maryland Transportation Authority Bonds:

Bonds outstanding as of June 30, 2015, are as follows (amounts expressed in thousands).

Series 1992 Capital Appreciation Revenue Bonds for the Authority's Transportation Facilities Projects maturing in the final installment of original principal of $721 on July 1, 2015, with approximate yield to maturity of 6.4% and an accreted amount…….	$ 3,000
BWI Consolidated Car Rental Facility Revenue Bonds, Series 2002, maturing in annual installments ranging from $2,885 to $8,505 from July 1, 2015, to July 1, 2032, with interest rates ranging from 2.7% to 6.7%, payable semiannually……	93,785
BWI Airport Parking Revenue Refunding Bonds, Series 2012A and 2012B, maturing in annual installments ranging from $11,320 to $16,455 from March 1, 2016, to March 1, 2027, with interest rates ranging from 4.0% to 5.0% payable semiannually…….	159,860
Calvert Street Parking Project Revenue Bonds, Series 2005, maturing in annual installments ranging from $740 to $1,415 from July 1, 2015, to July 1, 2032, with interest rates ranging from 3.3% to 4.4% payable semiannually…….	18,585
Grant and Revenue Anticipation Bonds, Series 2007 (GARVEE bonds), maturing in annual installments ranging from $29,730 to $34,390 from March 1, 2016, to March 1, 2019, with an interest rate of 4.0% payable semiannually to finance the Intercounty Connector Highway Project……	128,095
Series 2007 Revenue Bonds, for construction and improvement of Authority's Transportation Facilities projects, maturing in annual installments of $1,175 to $12,685 from July 1, 2015, to July 1, 2041, with interest rates ranging from 4.0% to 5.0% payable semiannually…….	296,780
Series 2008 Revenue Bonds, for construction and improvement of Authority's Transportation Facilities projects, maturing in annual installments of $9,995 to $31,070 from July 1, 2015, to July 1, 2041, with interest rates ranging from 4.8% to 5.1% payable semiannually……	545,560
Series 2008 A Revolving loan under the Transportation Infrastructure Finance and Innovation Act (TIFIA), for the Intercounty Connector Project maturing to July 1, 2047 with a fixed interest rate at 2.6% and an accreted amount……..	529,519
Series 2009 Revenue Bonds, for construction and improvements of Authority's Transportation Facilities projects, maturing from July 1, 2016 to July 1, 2043, with interest rates ranging from 3.0% to 5.9% payable semiannually……..	549,385
Series 2010 Revenue Bonds, for construction and improvements of the Authority's Transportation Facilities projects, maturing from July 1, 2015 to July 1, 2041, with interest rates ranging from 3.0% to 5.8% payable semiannually…….	326,435
Grant and Revenue Anticipation Bonds, Series 2008 (GARVEE bonds), maturing in annual installments ranging from $39,930 to $48,865 from March 1, 2016, to March 1, 2020, with an interest rate of 4.3% payable semiannually to finance the Intercounty Connector Highway Project……	221,345
Passenger Facility Charge Revenue Bonds, Series 2012A, maturing in annual installments of $1,905 to $3,780 from June 1, 2016 to June 1, 2032, with interest rates ranging from 0.7% to 4.3% payable semiannually……	45,405
Series 2012 Revenue Refunding Bonds maturing in annual installments of $3,615 to $6,225, from July 1, 2016 to July 1, 2029, with interest rates ranging from 3.0% to 5.0% payable semiannually ……..	67,610
Passenger Facility Charge Revenue Bonds, Series 2012B, maturing in annual installments of $5,680 to $7,765 from June 1, 2016 to June 1, 2027, with interest rates ranging from 0.6% to 2.7% payable semiannually……..	81,040

Variable Passenger Facility Charge Revenue Bonds, Series 2012C, via sinking fund payments of $43,400 through June 1, 2032, with a current variable rate of .07%	43,400
Passenger Facility Charge Revenue Bonds BWI Thurgood Marshall Airport, Series 2014, maturing in annual installments of $620 to $2,535 from June 1, 2016 to June 1, 2034, with interest rates ranging from 0.4% to 3.8% payable semiannually	39,380
Lease Revenue Refunding Bonds Metrorail Parking Projects, Series 2014, maturing in annual installments ranging from $1,535 to $2,395 from July 1, 2015, to July 1, 2028, with interest rates ranging from 2.0% to 5.0%, payable semiannually	27,200
Unamortized premium	55,953
Total	$ 3,232,337

Revenue bonds are payable solely from the revenues of the transportation facilities projects. Capital assets constructed from BWI facilities, WMATA Metrorail and the Calvert Street Parking Project are not capital assets of the Authority. Capital appreciation bonds payable and TIFIA bonds included accreted amounts of $2,279,000, and $13,519,000, respectively, as of June 30, 2015.

Grant and Revenue Anticipation Bonds (GARVEE Bonds) are payable from a portion of Maryland's future Federal highway aid and other pledged monies. These bonds are not general obligations of the Authority or legal obligations of the Maryland Department of Transportation or the State.

During the year ended June 30, 2015, the Authority issued $40,000,000 of Passenger Facility Charge Revenue Bonds BWI Thurgood Marshall Airport, Series 2014, with interest rates ranging from .4% to 3.8% maturing serially through June, 2034, to finance a portion of the costs of certain projects (Airport Facilities Projects) located at BWI Thurgood Marshall Airport. The Authority also issued $27,200,000 of Lease Revenue Refunding Bonds Metrorail Parking Projects, Series 2014, with interest rates ranging from 2.0% to 5.0% maturing serially through July, 2028, to refinance the outstanding MDTA Lease Revenue Bonds Metrorail Parking Projects, Series 2004 which financed three parking garages for the Washington Metropolitan Area Transit Authority.

As of June 30, 2015, the Authority has made the final draw of $132,204,000 on the $516,000,000 Series 2008 A revolving loan under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program for the Intercounty Connector Project. The loan has a fixed interest rate of 2.56% and matures on July 1, 2047.

Obligations Under Capital Leases –

Obligations of business-type activities under capital leases as of June 30, 2015, were as follows (amounts expressed in thousands).

Years Ending June 30,	Maryland Lottery and Gaming Control Agency (MLGCA)
2016	$ 13,250
2017	13,250
2018	13,250
2019	13,250
2020	9,920
Total minimum lease payments	62,920
Less: Imputed interest	2,205
Present value of net minimum lease payments	$ 60,715

The MLGCA has entered into lease agreements for certain on-line gaming system equipment and a computer system. As of June 30, 2015, assets acquired under leases and the related accumulated amortization totaled $91,984,000, and $31,254,000, respectively, and were included in capital assets in the Statement of Net Position, Business-type Activities.

Department of Housing and Community Development (DHCD) State Funded Loan Programs – Note Payable

In April 2010, the DHCD obtained a loan from the John D. and Catherine T. MacArthur Foundation to preserve affordable housing for low-income persons and families near military bases in counties in Maryland impacted by the Base Realignment and Closure initiative (BRAC). In fiscal year 2012, several Maryland counties committed matching funds for participation in the BRAC. As of June 30, 2015, total notes payable for BRAC are $4,522,000. This balance includes the loans received from the MacArthur Foundation as well as several Maryland counties. The loans bear interest at the rate of 2.0%, and are committed for no less than 10 years.

C. Notes and Revenue Bonds Payable – Component Units

Higher Education –

Certain State higher education institutions have issued revenue bonds for the acquisition, renovation, and construction of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds. Interest rates range from 2.0% - 6.1% on the revenue bonds.

Debt service requirements to maturity were as follows (amounts expressed in thousands).

	Notes Payable and Other Long-Term Debt		Revenue Bonds	
Year Ending June 30,	Principal	Interest	Principal	Interest
2016	$ 6,641	$ 1,037	$ 88,789	$ 49,508
2017	5,536	923	88,669	45,194
2018	4,414	1,231	87,940	41,303
2019	3,437	1,559	88,121	37,325
2020	2,939	1,500	87,326	33,422
2021-2025	46,518	2,984	356,095	115,003
2026-2030	216		260,075	47,214
2031-2035			71,010	5,729
2036-2040			725	51
Total	69,701	9,234	1,128,750	374,749
Accumulated accreted interest, premiums and discounts			72,651	
Total	$ 69,701	$ 9,234	$ 1,201,401	$ 374,749

The bonds issued are the debt and obligation of the issuing higher education institutions and are not a debt and obligation of, or pledge of, the faith and credit of the State.

As of June 30, 2015, higher education institutions have defeased debt outstanding of $ 91,810,000, resulting from the refunding of previously issued debt. Accordingly, the trust account assets and the liability for the defeased bonds were not included in these financial statements.

As of June 30, 2015, cash and investments were held by the trustees for the higher education institutions in the amount of $53,588,000, for the University System of Maryland (System), $119,000, for St. Mary's College of Maryland, and $4,701,000, for Morgan State University.

On March 4, 2015, University System of Maryland issued $93,690,000, of 2015 Refunding Series A Bonds at interest rates ranging from 3.0% to 5.0% maturing from 2016 to 2028 for refinancing previously issued bonds for construction and university facilities renewal. The reduction in future debt service was $10,359,000. The economic gain on the transaction was $9,564,000.

On September 24, 2014, St. Mary's College of Maryland issued $4,000,000, of 2014 Series A Subordinate Revenue Bonds, at a variable interest rate maturing on September 24, 2025, for construction of facilities.

Obligations under capital leases of $12,239,000, existed as of June 30, 2015, and bore interest at annual rates ranging from 1.0% to 6.8%.

Maryland Stadium Authority (Authority) – Revenue Bonds:

Debt service requirements to maturity for Maryland Stadium Authority revenue bonds and notes payable were as follows (amounts expressed in thousands).

Years Ending June 30,	Principal	Interest
2016	$ 22,230	$ 7,337
2017	21,764	6,439
2018	22,627	5,496
2019	23,166	4,501
2020	24,107	3,461
2021-2025	49,148	8,595
2026	6,080	352
Total	169,122	36,181
Unamortized premium net of unamortized discount	6,203	
Total	$175,325	$ 36,181

The Authority has issued various lease revenue bonds and notes to finance the construction of the baseball and football stadiums, convention center expansions in the Town of Ocean City and certain other facilities. The outstanding debt is to be repaid through capital lease payments from the State, as the State has entered into capital lease arrangements for the use of the facilities financed with the debt proceeds.

As of June 30, 2015, the Authority had outstanding revenue bonds for the construction, renovation and expansion of certain facilities as follows (amounts expressed in thousands).

Facility	Outstanding Amount	Interest Rates	Maturity Date
Baseball Stadium	$ 74,214	0.8% to 6.1%	December 15, 2023
Football Stadium	55,375	Variable	March 1, 2026
Ocean City Convention Center	1,397	2.3%	December 15, 2015
Hippodrome Performing Arts Center	14,529	0.7% to 2.5%	June 15, 2022
Montgomery County Conference Center	12,951	4.0% to 5.0%	June 15, 2024
Camden Station	6,035	3.0% to 5.2%	December 15, 2024
Camden Yards Complex	10,824	2.8% to 5.6%	December 15, 2024
Total	$ 175,325		

12. Insurance:

The self-insurance liabilities represent the State's liability for its various self-insurance programs. The State is self-insured for general liability, property and casualty, worker's compensation, environmental and anti-trust liabilities and certain employee health benefits. Commercial insurance coverage is purchased for specialized exposures such as aviation hull and liability, steam boiler coverage and certain transportation risks. There were no significant reductions or changes in the commercial insurance coverage from the prior year, and the amount of settlements have not exceeded insurance coverage for any of the past three fiscal years.

All funds, agencies and authorities of the State participate in the self-insurance program (Program). The Program, which is accounted for in the general fund, allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund, agency or public authority, based on a percentage of each organization's estimated current-year payroll or based on

an average loss experienced by each organization. This charge considers recent trends in actual claims experience of the State as a whole and makes provision for catastrophic losses.

The Program's liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, actual claims paid could differ from these estimates. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Non-incremental claims adjustment expenses have been included as part of the liability for claims and adjustments for the general liability, property and casualty, workers' compensation, environmental and anti-trust liabilities. Liabilities for incurred workers' compensation losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using a 4% discount rate. The worker's compensation and property and casualty costs are based upon separately determined actuarial valuations for the following fiscal years ending. The employee health benefits liability is calculated based on claims subsequently reported and claims trends.

Changes in the self-insurance liabilities during the fiscal year 2015 were as follows (amounts expressed in thousands).

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability	Amounts Due Within One Year
Property, casualty and general liability……	$ 16,686	$ 8,772	$ 8,811	$ 16,647	$ 8,907
Employee health benefits……..	105,900	1,363,862	1,364,262	105,500	105,500
Workers' compensation…….	233,360	49,585	50,551	232,394	27,380
Governmental activities self-insurance costs……	355,946	1,422,219	1,423,624	354,541	141,787
Business-type activities workers' compensation ……..	13,180	2,918	2,988	13,110	2,032
Component units workers' compensation…….	38,364	7,450	7,478	38,336	5,942
Total self-insurance costs ……	$ 407,490	$ 1,432,587	$ 1,434,090	$ 405,987	$ 149,761

As of June 30, 2015, the Program held $184,846,000, in cash and investments designated for payments of these claims.

Changes in the self-insurance liabilities during fiscal year 2014 were as follows (amounts expressed in thousands).

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability	Amounts Due Within One Year
Property, casualty and general liability……	$ 16,644	$ 9,803	$ 9,761	$ 16,686	$ 8,705
Employee health benefits ……	99,500	1,259,900	1,253,500	105,900	105,900
Workers' compensation……	228,064	62,193	56,897	233,360	26,466
Governmental activities self-insurance costs..…….	344,208	1,331,896	1,320,158	355,946	141,071
Business-type activities workers' compensation..……	12,350	3,485	2,655	13,180	2,043
Component units workers' compensation……	35,829	9,755	7,220	38,364	5,946
Total self-insurance costs……	$ 392,387	$ 1,345,136	$ 1,330,033	$ 407,490	$ 149,060

As of June 30, 2014, the Program held $296,409,000, in cash and investments designated for payments of these claims.

13. Fund Equity:

The unrestricted deficit for governmental activities on the government-wide statement of net position is $25,444,098,000. A portion of the deficit results from the State incurring a debt for the purposes of capital acquisition and construction on behalf of local governments and private organizations. Since the incurrence of this debt does not result in capital assets of the State, the debt is not reflected in the net position category, net investment in capital assets, but rather in the unrestricted net position category. As of June 30, 2015, the State had reported outstanding general obligation bonds and capital leases applicable to these

non-State projects of $5,691,476,000. Without State financing for these capital assets, the State would have reported an unrestricted deficit for governmental activities in the amount of $19,752,622,000.

The statement of net position for the primary government reported $2,214,719,000 of restricted net position, including $216,916,000, restricted by enabling legislation.

Detail of the fund balance categories and classification shown in the aggregate on the governmental funds balance sheet is as follows (amounts in thousands).

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	General	Special Revenue Maryland Department of Transportation	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable - Prepaid items, inventories and long-term loans and notes receivable	$ 514,051	$ 197,847		$ 711,898
Restricted:				
Debt service			$ 216,916	216,916
Other purposes	16,487			16,487
Committed:				
State Reserve Fund	779,879			779,879
Maryland Health Insurance Plan	57,773			57,773
AIDS Drug Assistance	67,562			67,562
State Supplemental Reinsurance Fund	61,300			61,300
Hospital Uncompensated Care	14,656			14,656
Other health and mental hygiene	62,722			62,722
Education	42,328			42,328
Aid for higher education	11,748			11,748
Human resources	9,419			9,419
Public safety	61,270			61,270
Transportation		158,418		158,418
Mortgage Services Settlement Fund	29,361			29,361
Public Utility Customer Investment Fund	46,826			46,826
Other judicial	35,226			35,226
Labor, licensing and regulation	28,916			28,916
Outdoor recreation	12,221			12,221
Waterway improvements	9,668			9,668
Ocean beach replenishment	6,905			6,905
Chesapeake and Coastal Services	29,818			29,818
Other natural resources and recreation	34,126			34,126
Housing and community development	12,165			12,165
Environment	30,425			30,425
Agriculture	4,702			4,702
Business and economic development	13,037			13,037
Capital projects			641,740	641,740
Other purposes	57,486			57,486
Unassigned	(766,124)		(511,961)	(1,278,085)
Total fund balances	$ 1,283,953	$ 356,265	$ 346,695	$ 1,986,913

A portion of the general fund's committed fund balance, in the amount of $779,879,000, as of June 30, 2015, includes the State Reserve Fund, which consists primarily of the Revenue Stabilization Account with a balance of $773,463,000. The Revenue Stabilization Account is authorized in Section 7-311 of the State Finance and Procurement Article, Annotated Code of Maryland. Appropriations are required to the Revenue Stabilization Account when the unappropriated general fund surplus of the second preceding fiscal year exceeds $10,000,000. Appropriations are also required in years when the account balance is less than 7.5% of estimated general fund revenues. If the account balance is at least 3% but less than 7.5%, an appropriation of

$50,000,000, or whatever lesser amount is necessary to bring the account balance to 7.5% of estimated general fund revenues is required; if the account balance is less than 3%, the required appropriation is $100,000,000.

Transfer of funds from the Revenue Stabilization Account may occur only to support the operation of State government on a temporary basis and only in amounts that are not otherwise offset by reductions made by the General Assembly in the general fund appropriations. These circumstances are not expected to occur routinely.

Transfer of funds from the account that does not result in a balance below 5% of estimated general fund revenues must be authorized by (1) an act of the General Assembly or (2) a specific provision of the State budget bill as enacted. Transfers resulting in a balance below 5% must be authorized by an act of the General Assembly other than the budget bill. The use of a budget amendment for fund transfer is prohibited.

The unrestricted deficit in net position in other enterprise funds of $11,215,000, for the Economic Development Insurance Programs occurred because of restrictions for insuring mortgages.

14. Segment Information:

The State's Economic Development Loan Program contains two separately identifiable activities that have separately issued revenue bonds outstanding; housing loans of the Community Development Administration and water quality loans and grants of the Maryland Water Quality Administration.

The Community Development Administration (CDA) has issued revenue bonds, the proceeds of which were used for various mortgage loan programs. The assets of the loan program and revenues of each mortgage loan program are pledged as collateral for the revenue bonds. The bond indentures require the CDA to separately account for the identifiable activity's revenues, expenses, gains and losses, assets and liabilities.

The Maryland Water Quality Administration has issued revenue bonds to encourage capital investment for wastewater treatment systems and bay restoration. These bonds are payable solely from, and secured by, the revenue, money or property of the Maryland Water Quality Administration. The bond indentures require separate accounting for the identifiable activity's revenues, expenses, gains and losses, assets and liabilities.

Summary financial information for the two loan programs is presented below:

Condensed Statement of Net Position
As of June 30, 2015

(Expressed in Thousands)

	Community Development Administration	Maryland Water Quality Administration
Assets:		
Current restricted assets	$ 798,946	$ 52,305
Non-current restricted assets	2,048,810	313,074
Total assets	2,847,756	365,379
Liabilities:		
Current liabilities	233,978	14,095
Non-current liabilities	2,204,870	164,269
Total liabilities	2,438,848	178,364
Net position:		
Restricted	408,908	187,015
Total net position	$ 408,908	$ 187,015

Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

(Expressed in Thousands)

	Community Development Administration	Maryland Water Quality Administration
Operating income (expenses):		
Interest on loan income	$ 97,571	$ 4,690
Other operating revenues	7,947	
Other operating expenses	(39,536)	
Operating income	65,982	4,690
Non-operating revenues (expenses)	(59,527)	(69,811)
Change in net position	6,455	(65,121)
Total net position - beginning	402,453	252,136
Total net position - ending	$ 408,908	$ 187,015

Condensed Statement of Cash Flows
For the Year Ended June 30, 2015

(Expressed in Thousands)

	Community Development Administration	Maryland Water Quality Administration
Net cash from:		
Operating activities	$ 59,851	$ 54,184
Non-capital financing activities	(295,462)	(56,540)
Investing activities	216,261	2,286
Beginning cash and cash equivalents	507,166	70
Ending cash and cash equivalents	$ 487,816	$ -

15. Retirement Benefits:

Maryland State Retirement and Pension System (System):

The State is an employer in the cost-sharing multiple-employer public employee retirement system established by the State to provide pension benefits for State employees (other than employees covered by the Maryland Transit Administration Pension Plan described below) and employees of 144 participating political subdivision or other entities within the State.

The State Retirement Agency (the "Agency") is the administrator of the Maryland State Retirement and Pension System (the "System"). The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. The System is made up of two cost-sharing employer pools: the "State Pool" and the "Municipal Pool". The "State Pool" consists of the State agencies, boards of education, community colleges, and libraries. The "Municipal Pool" consists of the participating governmental units that elected to join the System. Neither pool shares in each other's actuarial liabilities, thus participating governmental units that elect to join the System (the "Municipal Pool") share in the liabilities of the Municipal Pool only.

The State of Maryland is the statutory guarantor for the payment of all pensions, annuities, retirement allowances, refunds, reserves, and other benefits of the System. The State is obligated to annually pay into the accumulation fund of each State system at least an amount that, when combined with the System's accumulation funds, is sufficient to provide benefits payable under each plan during that fiscal year. The System is accounted for as one defined benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. Additionally, the System is fiscally dependent on the State by virtue of the legislative and executive controls exercised with respect to its operations, policies, and administrative budget. Accordingly, the System is included in the State's reporting entity and disclosed in its financial statements as a pension trust fund.

The System prepares a separately audited Comprehensive Annual Financial Report, which can be obtained from the Maryland State Retirement and Pension System, 120 E. Baltimore Street, Suite 1600, Baltimore, Maryland 21202-1600 or located at http://www.sra.state.md.us/Agency/Downloads/CAFR/.

Plan Description:

The System is administered in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland and consists of several plans which are managed by the System's Board of Trustees. All State employees and employees of participating entities are covered by the plans.

"Retirement System" – retirement programs for substantially all State employees, teachers, State Police and judges who are not members of the State Pension System.

"Pension System" – retirement programs for employees and teachers hired after January 1, 1980, and prior employees who elected to transfer from the Retirement System.

The System provides retirement, death and disability benefits in accordance with State statutes. For participants enrolled prior to July 1, 2011, vesting occurs after five years of service. A member terminating employment before attaining retirement age, but after completing five years of service becomes eligible for a vested retirement allowance provided the member does not withdraw his or her accumulated contributions. Members of the Retirement System may retire with full benefits after attaining the age of 60, or completing 30 years of service credit, regardless of age. Members of the Pension Systems may retire with full benefits after attaining the age of 62 with five years of service, or after completing 30 years of service credit, regardless of age. State Police members enrolled prior to July 1, 2011, may retire with full benefits after attaining age 50, or completing 22 years of service credit, regardless of age. Members of the Law Enforcement Officers System may retire with full benefits at age 50, or completing 25 years of service credit, regardless of age.

The annual benefit for Retirement System members is equal to 1/55 (1.8%) of the member's highest three-year average final salary multiplied by the number of years of service credit. A member may retire with reduced benefits after completing 25 years of service, regardless of age. A member of the Pension System enrolled prior to July 1, 2011, will generally receive, upon retirement, an annual service retirement allowance equal to 1.2% of the member's highest three-consecutive year average final salary multiplied by the number of years of service credit on or before June 30, 1998, plus 1.8% of the highest three-consecutive year average final salary multiplied by the number of years of service credit after June 30, 1998. The annual benefit for a Pension System member who is employed by a participating governmental unit that does not provide enhanced pension benefits is equal to 0.8% of the member's highest three-consecutive year average final salary multiplied by the number of years of service credit, with a provision for additional benefits for compensation earned in excess of the Social Security Integration Level base. A member of either type of pension system enrolled prior to July 1, 2011, may retire with reduced benefits after attaining age 55 and completing 15 years of service.

For new Pension System members hired on or after July 1, 2011, benefit reforms enacted during the 2011 Legislative Session establish the pension benefit multiplier at 1.5% rather than 1.8%, calculate average final compensation based on the five highest consecutive years of service rather than the three highest, and allow vesting after ten years of eligible service rather than five years.

The annual retirement allowance for a State Police member is equal to 2.55% of the member's highest three-year average final salary multiplied by each year of service and may not exceed 71.4% of member's three years average final compensation. The annual retirement allowance for a member of the Law Enforcement Officers Pension System (LEOPS) is 2.0% of the member's highest three-consecutive year average final salary (AFC) multiplied by each year of service up to a maximum of 30 years plus 1.0% AFC of accumulated credible service in excess of 30 years. Neither the State Police Retirement System nor Law Enforcement Officers Pension System provide for an early retirement. Other reforms similar to those enacted for System employees and teachers were enacted for other systems in the State Pool.

Funding Policy:

In accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland, employer contribution rates are established by annual actuarial valuations using the entry age normal cost method and other actuarial assumptions adopted by the Board of Trustees. In accordance with the law governing the Systems, all benefits of the System are funded in advance. The entry age normal cost method is the actuarial cost method used to determine the employers' contribution rates, member of the Retirement system are required to contribute to the System a fixed percentage of their regular salaries and wages, 7% or 5%, depending on the retirement plan selected. Under the 2011 Pension Reforms, members of the Pension System are required to contribute to the System 7% of their regular salaries and wages. Members of the Pension System who are employed by a participating government that does not provide enhanced pension benefits are required to contribute to the System 5% of the regular salaries and wages that exceed the Social Security wage base. State Police members are required to contribute 8% of their regular salaries and wages to the System. Members of the Law Enforcement Officers Pension System are required to contribute 7% of earnable compensation. All contributions are deducted from each member's salary, and the resulting payments are remitted to the System on a regular and periodic basis.

The contribution requirements of the System members, as well as the State and participating governmental employers, are established and may be amended by the General Assembly of the State of Maryland. Effective July 1, 2002, State law provides that the contribution rates may be more or less than the actuarially determined rates for the Employees' Retirement and Pension Systems and the Teachers' Retirement and Pension Systems. Contributions to these Systems are based on the Modified Corridor Funding Method which establishes a budgetary contribution rate. As initially established, this method effectively maintained the contribution rate in effect for the Teacher's and Employees' combined systems during the preceding fiscal year (as adjusted for any legislative changes in benefit structure) as long as such systems remained between 90 percent and 110 percent funded. If either system fell below 90 percent funded (i.e. below the corridor), then the contribution rate in effect for the subsequent fiscal year would be the rate in effect for the preceding fiscal year plus 20 percent of the difference between the current fiscal year full funding rate and the prior fiscal year contribution rate. Conversely, if either system exceeds 110 percent funded (i.e., above the corridor), then the contribution rate in effect for the subsequent fiscal year will be the rate in effect for the preceding fiscal year minus 20 percent of the difference between the current fiscal year full funding rate and the prior fiscal year contribution rate. The methodology for computing the State's employer contribution rates for the Law Enforcement Officers' Pension System,

State Police Retirement System and the Judges' Retirement System remains unchanged. For each of these three systems, the employer contribution rate is equal to the sum of the normal contribution and the accrued liability contribution rates.

During fiscal year 2015, for the State Pool, the State paid $1,734,624,000, of the required contribution totaling $1,983,742,000, which was 15.7% of covered payroll and 87.4% of the required payment. The State makes non-employer contributions to the System for local school system teachers. The covered payroll amount includes amounts for employees for whom the State pays retirement benefits, but does not pay the payroll. As of June 30, 2015, the State's membership includes 168,034, active members, 45,923, vested former members, and 130,961, retirees and beneficiaries.

In the First Special Session of 2012, the General Assembly enacted legislation that requires local school boards to pay a portion of the actuarially determined normal cost of local teachers' retirement phased in beginning in fiscal year 2013 until fiscal year 2017 when the local school boards will pay 100% of normal cost.

Assumptions and Other Inputs:

The significant actuarial assumptions and other inputs listed below were used to measure the total pension liability as of the measurement date of June 30, 2015.

Valuation method……	Individual Entry Age Normal Cost Method
Salary increases……	3.30% to 9.20% including inflation
Inflation……	2.70% general, 3.20% wage
Rate of return on investments …….	7.55%
Discount rate……	7.55%
Postretirement benefit increase……	2.29% - 3.20% for service prior to July 1, 2011 1.49% for service after June 30, 2011 (depending on system and provisions)
Mortality……..	RP-2014 Healthy Annuitant Mortality Tables with Generational Projection Using Scale MP-2014 for healthy retirees. RP-2014 Disabled Annuitant Mortality Tables with no projection for disabled retirees. RP-2014 Employee Annuitant Mortality Tables with Generational Projection Using Scale MP-2014 for pre-retirement

System's Fiduciary Net Position:

The System's fiduciary net position has been determined on the same basis used by the system. The System's financial statements are prepared on the accrual basis of accounting. Accordingly, investment purchases and sales are recorded as of their respective trade dates. Employer and member contributions are recognized in the period when due, pursuant to statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Investments are reported at fair value.

Long-term contributions receivable:

In addition to actuarially determined contributions, certain withdrawn employers also make annual installment payments, including interest at the actuarially assumed rate of return in effect at the time of withdrawal (7% or 7.5% per year), for liabilities associated with employees that have elected to stay in the System when their employer elected to withdraw. As of June 30, 2015, the outstanding balance was $31,254,000. These payments are due over various time periods, based on the date of the employer's withdrawal.

Discount rate:

A single discount rate of 7.55% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.55%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2015, the State reported a liability of $16,783,064,000, ($15,775,994,000, for Governmental Activities, $195,176,000, for Business-Type Activities and $811,894,000, for Component Units) for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2014, and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date. The State's proportion of the NPL was based on adjusted contributions to the System in fiscal year 2014 relative to adjusted contributions of the State and all participating local governments, actuarially determined. At June 30, 2014, the State's proportion was 95%.

During the year ended June 30, 2012, the State passed legislation that required local school boards of education to fund the current service cost for teachers included in the Teachers Retirement and Pension System (TRS) which is included in the State of Maryland Retirement and Pension System. The intent of the legislation was for the State to be responsible for past service costs, actuarial gains and losses, and the unfunded liability. As a result, the State has determined that the NPL of TRS qualifies as a special funding situation, and as such, the entire liability associated with TRS and the related deferred outflows and inflows, is included in the State's financial statements.

The State recognized pension expense of ($120,403,000) applicable to the TRS and ($86,581,000) applicable to the other State systems for the year ended June 30, 2015. At that date, the State reported deferred outflows and deferred inflows of resources related to the following systems as a result of its requirement to contribute to each system (amounts expressed in thousands).

	Deferred Outflows of Resources	Deferred Inflows of Resources
TRS	$1,033,557	$1,004,471
Other governmental activities	743,230	722,314
Business-type activities	27,988	21,363
Components units	135,046	88,869
Total	$1,939,821	$1,837,017

	Year ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
The amounts reported as deferred outflows and inflows of resources related to pensions (non-contributions) will be recognized in pension expense as shown to the right (amounts expresssed in thousands).	2016	$ 60,695	$ 459,254
	2017	60,695	459,254
	2018	60,695	459,254
	2019	60,695	459,255
	Total	$ 242,780	$1,837,017

Contributions:

Deferred outflows of resources related to MSRPS of $1,697,041,000, resulting from State contributions subsequent to the measurement date, will be recognized as a reduction of the NPL in the year ended June 30, 2016.

Sensitivity of the net pension liability to changes in the discount rate:

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.55%, as well as what the plan's net pension liability would be if it were using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (amounts expressed in thousands).

	1% Decrease 6.55%	Discount Rate 7.55%	1% Increase 8.55%
State's proportionate share of the NPL…….	$22,735,192	$16,783,064	$ 9,946,785

Information included in the MSRPS financial statements:

Actuarial assumptions, long-term expected rate of return on pension plan investments, discount rate, and pension plan fiduciary net position are available at http://www.sra.state.md.us/Agency/Downloads/CAFR/.

Maryland Transit Administration Pension Plan (Plan):

The Plan is a single employer non-contributory plan, which covers all Maryland Transit Administration (Administration) employees covered by a collective bargaining agreement and all those management employees who were employed by the Baltimore Transit Company. In addition, employees who enter the management group as a result of a transfer from a position covered by a collective bargaining agreement maintain their participation. The Maryland Transit Administration was given authority to establish and maintain the Plan under Transportation Article, Section 7-206(b)2(ii), of the Annotated Code of Maryland. The Plan is administered and funded in compliance with the collective bargaining agreements. The Plan prepares separately audited financial statements, which can be obtained from the Maryland Transit Administration Pension Plan, William Donald Schaefer Tower, 8 Saint Paul Street, Baltimore, Maryland 21202 or located at http://www.mdot.maryland.gov/office_of_finance/index.html.

Plan Description:

The Plan provides retirement, normal and early, death and disability benefits. Members may retire with full benefits at age 65 with five years of credited service or age 52 with 30 years of credited service. The annual normal retirement benefit is 1.4% - 1.6% (1.3% prior to September 8, 2002) of final average compensation multiplied by credited service, with minimum and maximum benefit limitations. Participants are fully vested after five years of credited service (seven years for participants hired after May 18, 2013).

As of June 30, 2015, membership in the Plan includes 2,649 active members, 486 vested former members, and 1,730 retirees and beneficiaries. There were no investments in, loans to, or leases with parties related to the Plan. There were no Plan investments representing 5 percent or more of total Plan assets. For the year ended June 30, 2015, the Administration's covered and total payroll was $137,680,000.

Funding Policy:

The Administration's required contributions are based on actuarial valuations. The entry age normal cost method is the actuarial cost method used to determine the employer's contribution rates and the total pension liability. All administrative costs of the Plan are paid by the Plan.

During fiscal year 2015, the administration paid $38,361,000, of the required contribution totaling $40,807,000, which was 27.9% of covered payroll and 94.0% of the required payment.

Assumptions and other inputs:

The significant actuarial assumptions and other inputs listed below were used to measure the total pension liability as of the measurement date of June 30, 2015.

Method of funding	Entry Age Normal Actuarial Cost Method
Discount rate	4.75%
Postretirement benefit increase	2.5% COLAs and 2% Benefit Cap per year
Salary increase	3.50-9.50% compounded annually
Inflation	3.50%
Investment rate of return	8.25%, net of pension plan investment expense, including inflation for funded benefits. Unfunded benefits are discounted at 3.80% from the Bond Buyer Go 20-Year Bond Municipal Bond Index The effective blended discount rate is 4.75%
Mortality	RP-2000 tables for males (two-year setback) and females. The RP-2000 Disabled Retiree table is used for disabled members, with a five-year setback for females.
Cost of living adjustments	2.5% per year

Plan Fiduciary Net Position:

The Plan's fiduciary net position has been determined on the same basis used by the pension plan. The Plan's financial statements are prepared on the accrual basis of accounting. Accordingly, investment purchases and sales are recorded as of their respective trade dates and all contributions and benefits including refunds of employee contributions are recorded in the period when they become due. Investments are reported at fair value.

Net Pension Liability of the Plan Required by GASB 67:

The total pension liability of the Plans was determined by an actuarial valuation as of July 1, 2014 rolled forward to June 30, 2015 and the adjustment to the roll-forward liabilities was made to reflect the following assumptions changes in the 2015 valuation:

1. Investment return assumption changed from 7.65% to 8.25% and a reduction of the effective blended discount rate from 5.24% to 4.75%.
2. The mortality table was changed to the RP-2000 tables for males (two-year setback) and females.
3. The mortality table was changed to the RP-2000 Disabled Retiree table for disabled members, with a five-year setback for females.

The components of the net pension liability as of June 30, 2015, are as follows (amounts expressed in thousands).

Total pension liability	$ 908,528
Plan fiduciary net position	(237,845)
Employer net pension liability	$ 670,683
Plan fiduciary net position as a percentage of the total pension liability	26.2%

Investments:

The long-term expected rate of return on pension plan investments was determined using a building –block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the Plan's investment consultant(s) and actuary(s). For each major asset class that is included in the Plan's target asset allocation as of June 30, 2015, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	35%	4.70%
Fixed income	10%	2.00%
Credit opportunity	10%	3.00%
Real return	14%	2.80%
Absolute return	10%	5.00%
Private equity	10%	6.30%
Real estate	10%	4.50%
Cash	1%	1.40%
Total	100%	

The above was the Board of Trustees adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2015.

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 3.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate:

A single discount rate of 4.75% was used to measure the total pension liability. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at the actuarially determined contribution rate. Since the actuarially determined contributions do not reflect any assumed future increases of benefits for pensioners and beneficiaries (COLAs) or the benefit cap, the Plan's fiduciary net position is not expected to be available to make all future benefit payments of current plan members.

Sensitivity of the net pension liability to changes in the discount rate:

The net pension liability of the MTA calculated using the discount rate of 4.75% as well as what the MTA's net pension liability would be if it were calculated using a discount rate that is 1% lower (3.75%) or 1% higher (5.75%) than the current rate, is as follows(amount express in thousands).

	1% Decrease 3.75%	Discount Rate 4.75%	1% Increase 5.75%
Employer's total pension liability.....	$1,030,459	$ 908,528	$ 806,471
Plan fiduciary net position	237,845	237,845	237,845
Net pension liability.....	$ 792,614	$ 670,683	$ 568,626
Plan fiduciary net position as a percentage of the total pension liability.....	23.1%	26.2%	29.5%

Pension expense, deferred outflows of resources and deferred inflows of resources and changes in net pension liability:

The components of the pension expense for the Plan at June 30, 2015, are as follows (amounts expressed in thousands).

	Amount
Service cost	$ 24,718
Interest on the total pension liability	39,236
Projected investment earnings	(10,106)
Contribution s	
Administrative expenses and other	1,851
Subtotal	55,699
Changes of Assumptions	7,640
Amortization – actual investment earnings different than assumed	(788)
Amortization – differences between actual and expected experience	(2,803)
Subtotal	4,049
Total components recorded as pension expense	$ 59,748

For the year ended June 30, 2015, the MTA recognized pension expense $59,748,000. At June 30, 2015, the MTA reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience		$ 16,818
Changes of assumptions	$ 45,840	
Net difference between projected and actual earnings on pension plan investments		3,151
Total	$ 45,840	$ 19,969

	Year ended June 30:	
The net amount reported as deferred outflows of resources related to pensions will be recognized in pension expense as shown to the right (amounts expressed in thousands).	2016	$ 4,049
	2017	4,049
	2018	4,049
	2019	4,049
	2020	4,837
	Thereafter	4,837
	Total	$ 25,870

The changes in employer's net pension liability at June 30, 2015 are as follows (amounts expressed in thousands).

Total pension liability	
Service cost	$ 24,718
Interest	39,236
Changes of benefit terms	
Differences between expected and actual experience	(19,621)
Change of assumptions or other inputs	53,480
Benefit payments, including refunds of member contributions	(30,636)
Net changes in total pension liability	67,177
Total pension liability - beginning	841,351
Total pension liability - ending(a)	$ 908,528

Plan fiduciary net position	
Contributions - employer	$ 38,361
Net investment income	8,279
Benefit payments, including refunds	(30,636)
Administrative expenses	(1,851)
Net change in plan fiduciary net position	14,153
Plan fiduciary net position - beginning	223,692
Plan fiduciary net position - ending (b)	$ 237,845
Net pension liability - ending (a)-(b)	$ 670,683

Deferred Compensation Plan (Plan):

The State offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Sections 457, 403(b), 401(a) and 401(k). The Plan, available to eligible State employees, permits participants to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. State law provides that the Governor appoint the nine member Board of Trustees of the State's Supplemental Retirement Systems. The Board is responsible for the implementation, maintenance and administration of the Plan.

The State of Maryland Match Plan and Trust was established by the State on July 1, 1999. The plan is designed to be a tax-qualified 401(a) defined contribution matching plan under Internal Revenue Code section 401(a). Under plan provision, the State contributes to each participant's account an amount equal to each participant's contributions to the State's Supplemental Retirement Plan during the same plan year. By statute, the maximum amount contributed to this plan for each participant is $600 for each State fiscal year. An employee's interest in his/her account is fully vested at all times. The match program continues to be established and funded in statue. During the year ended December 31, 2014, the State suspended the match contribution. For the plan year ended December 31, 2014, the State contributed $28,000, to the 401(a) plan and participants contributed $60,837,000, $2,761,000, and $ 89,860,000, to the 457, 403(b), and 401(k) plans, respectively.

16. Other Postemployment Benefits, Health Benefits (OPEB):

State Employee and Retiree Health and Welfare Benefits Program:

Plan Description:

The State Employee and Retiree Health and Welfare Benefits Program (Plan) is a single-employer defined benefit healthcare plan established by State Personnel and Pensions Article, Sections 2-501 – 2-516, of the Annotated Code of Maryland. The Plan is self-insured to provide medical, hospitalization, prescription drug and dental insurance benefits to eligible state employees, retirees and their dependents. State law grants authority to establish and amend benefit provisions to the Secretary of the Department of Budget and Management (DBM). In addition, the Secretary shall specify by regulation the types or categories of State employees who are eligible to enroll, with or without State subsidies, or who are not eligible to enroll.

The Postretirement Health Benefits Trust Fund (OPEB Trust) is established as an irrevocable trust under Section 34-101 of the State Personnel and Pensions Article to receive appropriated funds and contributions which will be used to assist the Plan in financing the State's postretirement health insurance subsidy. The OPEB Trust is administered by the Board of Trustees for the State Retirement and Pension System. A separate audited GAAP-basis postemployment benefit plan report is not available for the defined benefit healthcare plan.

Funding Policy:

The contribution requirements of Plan members and the State are established by the Secretary. Each year the Secretary recommends to the Governor the State's share of the costs of the Plan. Funds may be separately appropriated in the State's budget for transfer to the OPEB Trust. Applicable administrative expenses are payable from the OPEB Trust, but may not exceed $100,000 annually.

Generally, a retiree may enroll and participate in the health benefit options if the retiree retired directly from State service with at least five years of creditable service, ended State service with at least ten years of creditable service and within five years before the age at which a vested retirement allowance normally would begin, or ended State service with at least 16 years of creditable service. For members hired on or after July 1, 2011, they are required to have completed at least 25 years of creditable service, retired directly from State service with at least ten years of creditable service, or ended State service with at least ten years of creditable service and within five years before the age at which a vested retirement allowance normally would begin. As of July 1, 2015, the State's Plan membership includes 78,767, active employees, 3,329, vested former employees, and 68,000, retirees and beneficiaries. Based on current practice, the State subsidizes approximately 50% to 85% of retiree premiums to cover medical, dental, prescription and hospitalization costs, depending on the type of insurance plan. The Plan assesses a charge to retirees for post-employment health care benefits, which is based on health care insurance charges for active employees. For the fiscal year ended June 30, 2015, retiree plan members contributed $78,426,000, or approximately 14.8% of total retiree premiums, and the State contributed $449,750,000. During fiscal year 2015, the State did not appropriate funds to the OPEB Trust to prefund future OPEB costs.

Annual OPEB Cost and Net OPEB Obligation:

The State's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the State's annual OPEB cost, the amount actually contributed to the Plan and the State's net OPEB obligation as of June 30, 2015 (amounts expressed in thousands).

Annual required contribution (ARC)……	$ 574,359
ARC Adjustment…….….	(154,880)
Interest on net OPEB obligation beginning of year…….….	188,322
Total Annual OPEB Cost (AOC)…….	607,801
Less: Contributions made……..……..….	449,750
Increase in net OPEB obligation……..….	158,051
Net OPEB obligation - beginning of year……..…..…….	3,964,678
Net OPEB obligation - end of year……..	$4,122,729
Percentage of annual OPEB cost contributed...…….……..…….	74.0%

Three year historical trend information for the Plan is as follows (amounts expressed in thousands).

Fiscal Years Ended,	AOC	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2015……	$607,801	74.0%	$4,122,729
6/30/2014……	580,472	69.4%	3,964,678
6/30/2013……	648,556	60.6%	3,787,000

Funded Status:

As of June 30, 2015, the most recent actuarial valuation date, the OPEB Trust was 2.9% funded. The actuarial accrued liability for benefits was $9,643,607,000, and the actuarial value of assets was $275,329,000, resulting in an unfunded actuarial accrued liability (UAAL) of $9,368,278,000. The ratio of the actuarial value of assets to the actuarial accrued liability was 2.9%. The covered payroll (annual payroll of active employees covered under the Plan) was $4,929,100,000, and the ratio of the UAAL to the covered payroll was (190.1%).

Actuarial Methods and Assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The accompanying schedules of funding progress and employer contributions following the footnotes present information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits and amounts contributed to the plan.

The actuarial method and significant assumptions listed below were used in the actuarial valuation as of June 30, 2015.

Actuarial cost method…….....	Entry Age Normal (percent of earnings)
Asset valuation method…….…	Five-year smoothed market
Rate of return on investments……...	4.50%
Inflation rate……..……	3.50%
Aggregate salary growth……...	3.50%
Method to determine blended rate……	4.50% represents an unblended pay-go rate
Healthcare cost trend rate…….	Medical: Under 65 – 7.00% graded to 4.50% over 10 years Over 65 – 6.75% graded to 4.50% over 9 years Prescription drug: 11.00% graded to 5.00% over 24 years Dental: 3.50%
Amortization method……	Level percentage of projected payroll
Amortization period……..	30 years (open)

Maryland Transit Administration Retiree Healthcare Benefit:

The Maryland Transit Administration Retiree Healthcare Benefit (MTA OPEB) provides retiree health care benefits under a collective bargaining agreement to all employees who are members of the MTA pension plan, except transfers from union to management positions who are required to enroll in the State Employee and Retiree Health and Welfare Benefits Program. The MTA currently funds retirees' health care on a pay-as-you-go basis. The MTA does not currently have a separate fund set aside to pay health care costs.

Plan Description:

The MTA OPEB provides medical, hospitalization, prescription drug, dental and vision insurance benefits to eligible MTA employees, retirees and their dependents. Members are eligible at age 65 with five years of service or age 52 with 30 years of service provided the member is enrolled in an MTA health plan at normal retirement. Members are also eligible at age 55 if the sum of the participant's age plus years of actual credited service equals at least 85 and the participant is enrolled in an MTA health plan at early retirement, disability with 5 years of service and surviving spouses. A separate audited GAAP-basis postemployment benefit plan report is not available for the healthcare plan.

As of June 30, 2015, 2,321, active employees and 1,296, retirees and beneficiaries were covered by healthcare insurance provided by MTA.

Funding Policy:

Based on current practice, MTA subsidizes approximately 50% to 100% of retiree healthcare premiums depending on the type of insurance plan and whether the retiree receives Medicare. Retirees make the same contribution as active employees, however Medicare is handled separately.

Annual OPEB Cost and Net OPEB Obligation:

MTA's annual OPEB cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The following table shows the components of MTA's annual OPEB cost, the amount actually contributed and MTA's net OPEB obligation as of June 30, 2015 (amounts expressed in thousands).

Annual required contribution (ARC)…….……	$ 67,496
ARC Adjustment……	(20,089)
Interest on net OPEB obligation beginning of year……	11,350
Total Annual OPEB Cost (AOC)……	58,757
Less: Contributions made……..……	13,905
Increase in net OPEB obligation…….……	44,852
Net OPEB obligation – beginning of year……..……	267,064
Net OPEB obligation – end of year…….……	$311,916
.	
Percentage of annual OPEB cost contributed……...……	23.7%

Three year historical trend information for the MTA OPEB is as follows (amounts expressed in thousands).

Fiscal Years Ended,	AOC	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2015……..……	$58,757	23.7%	$311,916
6/30/2014……..……	64,446	28.5%	267,064
6/30/2013……..	65,863	21.5%	221,001

Funded Status:

MTA OPEB is unfunded. As of June 30, 2015, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for benefits was $640,496,000. The covered payroll (annual payroll of active employees participating in MTA health plans) was $137,427,000, and the ratio of the AAL to the covered payroll was (466.1%).

Actuarial Methods and Assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

The accompanying schedules of funding progress and employer contributions following the footnotes present information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits and amounts contributed to the plan.

The actuarial method and significant assumptions listed below were used in the actuarial valuation as of June 30, 2015.

Actuarial cost method…….	Entry Age Normal, Level Dollar
Rate of return on investments…….	4.25%
Inflation rate……..…….	3.50%
Aggregate salary growth…….	3.50%
Healthcare cost trend rate……..…….	Medical: 7.70% in 2015 decreasing to 4.50% over 11 years Prescription: 8.70% in 2015 decreasing to 4.50% over 11 years Dental and Vision: 4.50% per annum
Amortization method……..	Level Dollar Closed
Amortization period……..……..	19 years as of July 1, 2015

17. Commitments:

As noted in Note 2, encumbrance accounting is used to account for outstanding commitments for open purchase orders and unfulfilled contracts in some governmental funds. Amounts related to encumbrances are reported in the general fund, $260,184,000, the special revenue fund, $27,930,000, and the capital projects fund, $641,740,000, as of June 30, 2015.

The State's governmental funds lease office space under various agreements that are accounted for as operating leases. Many of the agreements contain rent escalation clauses and renewal options. These leases contain termination for convenience clauses providing for cancellation after a certain number of days' notice to lessors. In addition, these leases contain appropriation clauses indicating that continuation of the lease is subject to appropriation by the legislature. Rent expenditures for the year ended June 30, 2015, were approximately $68,173,000.

As of June 30, 2015, the governmental funds, other than the Department of Transportation, had commitments of approximately $185,521,000, for service contracts.

As of June 30, 2015, the Department of Transportation and Maryland Transportation Authority had commitments of approximately $3.8 billion and $761,717,000, respectively, for construction of highway and mass transit facilities.

Approximately 29.7% of future expenditures related to the Department of Transportation commitments are expected to be reimbursed from proceeds of approved Federal grants when the actual costs are incurred. The remaining portion will be funded by other financial resources of the Department of Transportation.

The Department of Transportation, as lessor, leases space at various marine terminals, airport facilities and office space pursuant to various noncancelable operating leases with scheduled rent increases. Minimum future rental revenues are as follows (amounts expressed in thousands).

Years Ending June 30,	Amounts
2016……	$132,540
2017……	125,711
2018……	121,162
2019……	118,825
2020……	30,588
2021-2025……..	89,666
2026-2030……..……	6,083
Total..……	$624,575

The cost and accumulated depreciation of the assets as of June 30, 2015, were $1,262,106,000, and $707,440,000, respectively.

Total minimum future rental revenues do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the concessionaire's gross revenue in excess of stipulated minimums. Rental revenue was approximately $170,067,000, for the year ended June 30, 2015.

Prior to March 2015, MLGCA had significant contracts relating principally to the operation of the gaming program. After that date, State law required some casinos to own their video lottery terminals (VLTs) and associated equipment and software. As a result, MLGCA sold 1,425 of its VLTs for $7,259,000 to the casinos, and auctioned off the remainder for $800,000.

As of June 30, 2015, the enterprise fund loan programs had committed to lend a total of $451,149,000, in additional loans and had committed $2,920,000 for service contracts. The Community Development Administration, also an enterprise fund loan program, had $420,920,000, of revenue bonds outstanding that are not included in the financial statements of the Administration because the bonds are not guaranteed by the State or any other program of the State or any political subdivision. The revenue bonds are secured solely by the individual multi-family project properties, related revenues, applicable credit enhancements or investments equal to the debt outstanding.

As of June 30, 2015, the higher education fund had commitments of approximately $712,550,000, for the completion of projects under construction.

In May 2015, the United States Supreme Court ruled that a component of Maryland's personal income tax structure violated the interstate Commerce Clause of the U.S. Constitution because it resulted in double taxation of income earned outside of Maryland. Maryland's personal income tax is composed of a state rate and a local rate. For individuals who earn income in other states and are taxed by those states, Maryland allows the residents a credit for the other state's income tax, but only against the Maryland state portion of the tax. The result is that the individuals pay tax on the non-Maryland income at the Maryland local rate as well as paying tax in the state in which the income was generated.

At this time, the amount to be paid is estimated by the State Comptroller's Office to be approximately $180 million. A statute of limitations will limit refund claims to three tax years. Returns are being processed with a target completion date of December 2015. Refunds will be processed as amended returns are reviewed and approved. No State funds will be used. The refunded tax and interest will be paid from the Local Income Tax Agency Fund. Jurisdictions have the option to reimburse the Fund or have nine future local income tax distributions reduced starting in fiscal year 2017.

18. Contingencies:

The State is party to legal proceedings that normally occur in governmental operations. The legal proceedings are not, in the opinion of the Attorney General, likely to have a material, adverse impact on the financial position of the State as a whole.

As of June 30, 2015, economic development loan programs were contingently liable to financial institutions for $2,712,000, for the repayment of loans for small businesses. Non-major enterprise funds were contingently liable as insurers of $180,633,000, of $275,763,000, mortgage loans made by public and private lenders.

Non-major component units were contingently liable as insurers of $19,362,000, of $76,370,000, economic development and growth bonds issued by financial institutions. As of June 30, 2015, there were approved economic development bonds pending settlement which were insured by non-major component units for $659,000.

The State receives significant financial assistance from the U.S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund which received the grant. As of June 30, 2015, the State has recognized a liability of $34,156,000, in the general fund for Medicaid claims to the federal government related to disallowed reimbursements for certain payments for services provided under the developmental disabilities program. The State estimates that no additional material liabilities will result from such audits.

19. Tobacco Settlement:

Legislation enacted by the 1999 General Assembly established the Cigarette Restitution Fund for all revenues received from any judgment against or settlement with the tobacco industry. Expenditures from the fund are made by an appropriation in the annual State budget. The law provides that at least 50% of the appropriations shall be made for tobacco or health related purposes and the remaining appropriations may be for any public purpose. During the 2002 legislative session, legislation was enacted providing that for each of fiscal years 2003 through 2006, at least 25% of the appropriations shall be made for the Maryland Medical Assistance Program (Medicaid); the 2005 legislative session increased that percentage to 30% for each year for which appropriations are made. During the 2003 legislative session, legislation was enacted requiring that .15% of the fund be appropriated for enforcing the escrow requirements for nonparticipating tobacco product manufacturers. Transfers of $143,058,000, were made from the proceeds in the Cigarette Restitution Fund for fiscal year 2015 expenditure of appropriations.

As part of the Master Settlement Agreement between the states and the tobacco companies, Maryland's share during fiscal year 2015 was $134,949,000, including the award from the arbitration panel for attorney fees. This amount does not include $17,507,000, the tobacco companies paid to the disputed account pending the outcome of litigation. During fiscal year 2015 Maryland did not recover $40 million due to an anticipated successful appeal of a portion of an arbitration decision regarding the improper enforcement of tobacco laws. The fiscal year 2017 forecast assumes that the State will recover the $40 million, but the timing of the recovery is unclear.

It is estimated that the payments made to the State pursuant to the Master Settlement through fiscal year 2020 will total $3.21 billion of which $149,873,000, was paid to outside counsel. The actual amount paid each year, however, will reflect adjustments for inflation and cigarette shipment volume. In addition, the State expects to receive $108,157,000, during that same period pursuant to an award for attorney fees by the national arbitration panel.

20. Landfill Closure:

State and Federal laws require the Maryland Environmental Service (the Service) to cover and to perform certain maintenance and monitoring functions at Midshore Regional Landfill I, Easton Landfill, Midshore II and Hobbs Road Landfill sites. Although closure and postclosure care costs will be paid near or after the date the landfills stop accepting waste, the Service reports a portion of these closure and postclosure care costs as a liability based upon the estimated useful life of the landfills. Midshore I's current cells are approximately 93% filled as of June 30, 2015. The landfill stopped accepting waste on December 31, 2010. Total closure and postclosure care costs for the landfill are currently estimated to be $9,662,000, as determined through engineering studies, and $7,674,000, has been recognized as a liability on the June 30, 2015, Combining Statement of Net Position, Non-Major Component Units.

A flyover is performed annually in July to assist in the calculation of the landfill's remaining capacity based upon the volume of cubic yard capacity. Midshore II's current cells, which are expected to close in 2053, are approximately 12% filled as of June 30, 2015. Total closure and postclosure care costs for the landfill are currently estimated to be $17,472,000, as determined through engineering studies, and $1,698,000, has been recognized as a liability as of June 30, 2015. Actual costs may be subject to change due to inflation, deflation, technology, and changes in applicable laws and regulations.

A receivable from project participants corresponding to the accrued liability has also been recorded.

Under Federal regulations, the Service has satisfied its financial assurance requirements based upon the local government financial ratio tests of the project participants as of June 30, 2014. The Service expects to satisfy these requirements as of June 30, 2015, using the same criteria.

21. Service Concession Arrangements:

In fiscal year 2013, the Maryland Department of Transportation entered into a long-term lease with Ports America Corporation (PAC) to manage, operate and maintain the Dundalk Marine terminal. This agreement satisfies the criteria established to be considered a service concession arrangement.

Under the terms of the ground lease, the Department transfers rights to PAC for a term of 50 years. After 50 years ownership of the Dundalk Marine Terminal will revert to the Department. PAC charges and collects fees from the user for container lifts, short tons of roll on-roll off, break-bulk and bulk cargo and pays the operating costs, management fee and debt service associated with the project. The Department has the ability to approve what services the operator is required to provide.

As of June 30, 2015, the capital assets, net of accumulated depreciation, and deferred service concession arrangement receipts were $50,945,000.

In fiscal year 2013, Maryland Transportation Authority and Areas USA entered a 35-year Service Concession Arrangement (SCA) agreement to redevelop and operate two travel plazas along the John F. Kennedy Memorial Highway (I-95). The structure of the agreement between the Authority and Areas USA is a long term lease and concession. The Authority retains ownership of the property and assets. All property and improvements, with the exception of the fueling systems, are returned to the Authority at the end of the 35 year lease. Under the agreement, the Authority should realize reduced future operating and capital expenses; debt capacity will be reserved for core business activities; and revenue is guaranteed over the life of the agreement. Areas USA invested $55,890,000, which required no public subsidy or debt, to redesign and rebuild both the 48-year-old Maryland House and the 36-year-old Chesapeake House travel plazas. Areas USA will operate and maintain the travel plazas through the year 2047. The redeveloped Maryland House travel plaza opened in January 2014, and the new Chesapeake House travel plaza opened in August 2014. The unamortized balance as of June 30, 2015 is $54,991,000, which is reported in the deferred inflow of resources on the Statement of Net Position.

The University System of Maryland has entered into a long-term lease of university-owned land and other SCA agreements with a quasi-governmental issuer of debt and a developer to build, and an operator to manage, student housing projects at seven of the System's institutions.

Under the terms of the ground lease, the System transfers rights to university-owned property for a term of 40 years to the quasi-governmental issuer of debt (the project 'owner'). The project owner contracts with a developer to build student housing on the property, as well as an operator that manages the facility on behalf of the owner. Each student housing project is financed using tax-exempt debt that limits the use of the project to uses that support the institution. The owner of the project charges and collects rent from the students, and pays the operating costs and debt service associated with the project. The residual cash flow from the project, after paying all operating costs and management fees, is paid to the university as the ground lease payment. The institution has the ability to approve what services the operator is required to provide and the rates that can be charged.

Upon final payment of the outstanding debt associated with the project, or upon termination of the ground lease, whichever is sooner, the building's ownership transfers to the university and the owner's rights to use land revert to the university.

As of June 30, 2015, the Statement of Net Position reflects net capital assets of $361,860,000, and deferred service concession arrangement receipts of $344,000,000, from this transaction.

22. Voluntary Separation Program

The State offered a Voluntary Separation Program (VSP) during fiscal year 2015, pursuant to the Governor of Maryland's Executive Order .01.01.2015.10. The VSP was established to reduce the number of state employees and to control costs for the State during fiscal years 2015 and 2016.

The VSP was voluntary and was offered to eligible employees. An eligible employee had to be employed in the Executive Branch of the State, currently employed in a full time permanent position; not employed in a contractual, seasonal, temporary or emergency appointment; and had to have at least twenty-four months of current, continuous service in a permanent position. Only a limited number of determined positions, in certain state agencies were eligible for the VSP.

State employees accepted into the VSP voluntarily ended their employment with the State on April 28, 2015 and their positions were eliminated. The separation was made through resignation or retirement.

The severance pay for each participant was a lump sum payment of $15,000 and an additional $200 for each year of State service. In addition, the participants received severance benefits of three (3) months of continued medical, dental and prescription drug benefits, paid by the State; upon election 18 months of continued medical coverage under COBRA (paid for by the former employee); payment of accrued, unused annual leave; and payment for unused compensatory leave. Also as a condition of accepting the VSP, the participant could not seek or accept employment with the State for eighteen (18) months after severance or the employee was required to repay the full amount of the severance payment and the cost of the subsidized health benefits received.

There were four hundred and sixty-eight (468) State employees that accepted the VSP. Severance payments totaled $9, 645,000 of which $7,020,000 was lump sum and $2,625,000 was for years of service. The payments were made on or about May 20, 2015. Unused and accrued annual leave and unused compensatory leave totaled $3,595,000 and was paid on or about May 20, 2015 or June 3, 2015. The estimated cost for the continuation of health beneftits for participants was $1,000,000. The State also paid FICA of $738,000 and Unemployment Insurance of $27,000 for the lump sum and years of service severance payments. The VSP costs were either paid or accrued in fiscal year 2015.

REQUIRED SUPPLEMENTARY INFORMATION

JOHNS HOPKINS HOSPITAL

BALTIMORE

TREASURY DEPARTMENT
COMPTROLLER'S OFFICE
CRESCITE ET MULTIPLICAMINI

STATE OF MARYLAND
Schedule of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary General, Special, and Federal Funds
For the Year Ended June 30, 2015
(Expressed in Thousands)

	General Fund			
	Budget Amounts			Variance
	Original Budget	Final Budget	Actual Amounts	Positive (Negative)
Revenues:				
Income taxes	$ 9,249,388	$ 8,935,977	$ 9,123,466	$ 187,489
Sales and use taxes	4,350,494	4,334,793	4,350,726	15,933
Other taxes	1,273,976	1,281,196	1,146,919	(134,277)
Licenses and fees	198,717	200,313	203,116	2,803
Charges for services	294,061	316,047	230,403	(85,644)
Interest and other investment income	20,361	20,361	19,659	(702)
Other	605,171	603,204	771,801	168,597
Federal revenue				
Total revenues	15,992,168	15,691,891	15,846,090	154,199
Expenditures and encumbrances by major function:				
Payments of revenue to civil divisions of the State	163,456	155,467	155,397	70
Public debt	140,000	140,000	140,000	
Legislative	90,947	91,416	78,768	12,648
Judicial review and legal	565,797	566,918	539,961	26,957
Executive and administrative control	249,794	253,279	249,464	3,815
Financial and revenue administration	271,147	269,203	255,691	13,512
Budget and management	120,322	57,991	54,531	3,460
Retirement and pension				
General services	62,854	61,666	59,416	2,250
Transportation and highways				
Natural resources and recreation	55,100	75,776	74,332	1,444
Agriculture	27,811	27,002	26,594	408
Health, hospitals and mental hygiene	4,111,359	4,103,637	4,071,149	32,488
Human resources	639,274	622,572	621,196	1,376
Labor, licensing and regulation	48,383	47,722	43,516	4,206
Public safety and correctional services	1,173,053	1,176,825	1,162,965	13,860
Public education	7,752,719	7,755,336	7,723,012	32,324
Housing and community development	17,292	15,647	11,816	3,831
Business and economic development	109,194	101,468	86,988	14,480
Environment	37,400	34,350	33,068	1,282
Juvenile services	295,284	286,578	268,913	17,665
State police	248,474	245,406	245,286	120
State reserve fund	19,714	14,785	14,785	
Reversions	(30,000)	(30,000)		(30,000)
Total expenditures and encumbrances	16,169,374	16,073,044	15,916,848	156,196
Excess of revenues over (under) expenditures	(177,206)	(381,153)	(70,758)	310,395
Other sources (uses) of financial resources:				
Transfers in (out)			245,687	245,687
Excess of revenues over (under) expenditures and other sources (uses) of financial resources	(177,206)	(381,153)	174,929	556,082
Fund balances - beginning of the year	(6,349,851)	(5,660,536)	1,027,689	6,688,225
Fund balances - end of the year	$ (6,527,057)	$ (6,041,689)	$ 1,202,618	$ 7,244,307

See accompanying Notes to Required Supplementary Information.

Special Fund				Federal Fund			
Budget Amounts			Variance	Budget Amounts			Variance
Original Budget	Final Budget	Actual Amounts	Positive (Negative)	Original Budget	Final Budget	Actual Amounts	Positive (Negative)
$ 227,891	$ 250,753	$ 228,515	$ (22,238)				
64,309	52,767	59,170	6,403				
2,750,540	2,750,598	2,862,578	111,980				
835,936	831,339	837,785	6,446				
2,858,208	2,907,583	2,143,335	(764,248)				
1,000	7,275	14,276	7,001			$ 714	$ 714
1,426,636	1,353,854	1,159,577	(194,277)				
				$ 10,513,297	$ 12,098,477	11,030,400	(1,068,077)
8,164,520	8,154,169	7,305,236	(848,933)	10,513,297	12,098,477	11,031,114	(1,067,363)
887,932	887,932	875,608	12,324	11,490	11,490	11,483	7
147,750	150,761	119,235	31,526	3,710	6,154	4,558	1,596
330,806	358,579	210,796	147,783	250,675	356,646	264,171	92,475
123,999	129,400	122,680	6,720				
40,722	37,553	22,472	15,081	10,760	5,820	582	5,238
21,744	21,883	19,753	2,130				
3,092	3,102	2,819	283	1,185	1,189	1,190	(1)
3,680,726	3,590,174	3,484,819	105,355	940,996	929,714	831,688	98,026
237,434	209,741	127,472	82,269	40,082	46,414	31,139	15,275
55,066	56,825	43,065	13,760	4,240	4,421	3,819	602
1,347,989	1,402,011	1,365,730	36,281	5,801,521	7,142,208	6,495,452	646,756
120,944	125,226	89,676	35,550	1,963,242	2,003,205	1,824,842	178,363
142,266	142,626	119,550	23,076	190,917	210,187	159,802	50,385
140,976	143,052	128,837	14,215	33,641	34,204	31,406	2,798
540,646	528,009	511,220	16,789	1,310,479	1,385,924	1,118,777	267,147
164,758	173,660	86,324	87,336	302,776	302,840	250,516	52,324
133,449	140,744	50,029	90,715	1,619	10,990	9,752	1,238
795,246	800,239	393,206	407,033	81,600	82,424	71,917	10,507
4,966	4,966	3,658	1,308	7,133	7,892	7,889	3
93,529	97,206	94,760	2,446	2,303	9,730	7,300	2,430
9,014,040	9,003,689	7,871,709	1,131,980	10,958,369	12,551,452	11,126,283	1,425,169
(849,520)	(849,520)	(566,473)	283,047	(445,072)	(452,975)	(95,169)	357,806
		373,409	373,409			95,169	95,169
(849,520)	(849,520)	(193,064)	656,456	(445,072)	(452,975)		452,975
(4,880,998)	(4,736,051)	2,027,318	6,763,369	(3,833,118)	(3,833,111)		3,833,111
$ (5,730,518)	$ (5,585,571)	$ 1,834,254	$ 7,419,825	$ (4,278,190)	$ (4,286,086)	$	$ 4,286,086

STATE OF MARYLAND
Reconciliation of the Budgetary General and Special Funds, Fund Balances to the GAAP General and Special Funds, Fund Balances
June 30, 2015
(Expressed in Thousands)

	General	Special
Amount in budgetary funds, fund balance (page 116)	$ 1,202,618	$ 1,834,254
Budgetary special funds reclassified to the general fund	833,535	(833,535)
Budgetary special funds reclassified to other funds		(701,294)
Other non-budgetary funds reclassified to governmental funds	419,803	678
Total of budgetary fund balances reclassified into the governmental funds' fund structure	2,455,956	300,103
Accounting principle differences:		
Assets recognized in the governmental funds financial statements not recognized for budgetary purposes:		
Cash	(223,768)	
Investments	(8,974)	
Taxes receivable	41,074	3,069
Intergovernmental receivables	(40,501)	
Other accounts receivable	77,116	
Prepaid items	911	
Inventories	26,940	93,356
Loans and notes receivable	13	
Due from other funds	22	97,998
Liabilities and deferred inflows of resources recognized in the governmental funds financial statements not recognized for budgetary purposes:		
Salaries payable	(160,888)	
Accounts payable and accrued liabilities	(104,010)	
Due to other funds	(655,121)	
Accounts payable to political subdivisions	(5,015)	
Unearned revenue	(11,789)	
Accrued self insurance costs	(105,461)	
Deferred inflows of resources	(2,552)	(138,261)
Financial statement governmental funds' fund balances, June 30, 2015 (page 30)	$ 1,283,953	$ 356,265

See accompanying Notes to Required Supplementary Information.

STATE OF MARYLAND
Schedule of Employer Contributions for
Maryland State Retirement and Pension System*
Year Ending June 30,
(Expressed in Thousands)

		2015
Governmental Activities' Special Funding Situation:		
Actuarially determined contribution	$	1,189,318
Less: Contributions in relation to the actuarially determined contribution		1,063,763
Contribution deficiency/(excess)	$	125,555
Covered employee payroll	$	6,185,176
Actual contributions as a percentage of covered-employee payroll		17.2%
Other Governmental Activities:		
Actuarially determined contribution	$	679,292
Less: Contributions in relation to the actuarially determined contribution		573,635
Contribution deficiency/(excess)	$	105,657
Covered employee payroll	$	2,299,572
Actual contributions as a percentage of covered-employee payroll		24.9%
Business-Type Activities:		
Actuarially determined contribution	$	22,316
Less: Contributions in relation to the actuarially determined contribution		18,846
Contribution deficiency/(excess)	$	3,470
Covered employee payroll	$	140,181
Actual contributions as a percentage of covered-employee payroll		13.4%
Component Units:		
Actuarially determined contribution	$	92,816
Less: Contributions in relation to the actuarially determined contribution		78,380
Contribution deficiency/(excess)	$	14,436
Covered employee payroll	$	790,899
Actual contributions as a percentage of covered-employee payroll		9.9%

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

STATE OF MARYLAND
Schedule of Employer Net Pension Liability for
Maryland State Retirement and Pension System*
Year Ending June 30,
(Expressed in Thousands)

		2015
State of Maryland's proportion of the collective NPL:		
Governmental Activities' proportion of the System's NPL		33.483%
Governmental Activities' special funding proportion of the System's NPL		55.412%
Business-Type Activities proportion of the System's NPL		1.100%
Component Units' proportion of the System's NPL		4.575%
Total		94.570%
State of Maryland's proportionate share of the collective NPL:		
Governmental Activities' proportionate share of the System's NPL	$	5,942,113
Governmental Activities' special funding proportionate share of the System's NPL		9,833,883
Business-Type Activities proportionate share of the System's NPL		195,176
Component Units' proportionate share of System's NPL		811,894
Total	$	16,783,064
State of Maryland's covered payroll:		
Governmental Activities' covered payroll	$	2,299,572
Governmental Activities' special funding covered payroll		6,185,176
Business-Type Activities covered payroll		140,181
Component Units' covered payroll		790,899
Proportionate share of the collective NPL as a percentage of covered payroll:		
Governmental Activities' proportionate share of NPL as a percentage of covered payroll		258.40%
Governmental Activities' special funding proportionate share of NPL as a percentage of covered payroll		158.99%
Business-Type Activities proportionate share of NPL as a percentage of covered payroll		139.23%
Component Units' proportionate share of NPL as a percentage of covered payroll		102.65%
Plan fiduciary net position as a percentage of total pension liability-All		71.87%

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Schedule of Employer Contributions for
Maryland Transit Administration Pension Plan
Year Ending June 30,
(Expressed in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ 40,807	$ 39,749	$ 34,582	$ 32,859	$ 33,928	$ 26,151	$ 24,659	$ 24,635	$ 20,872	$ 20,435
Less: Contributions in relation to the actuarially determined contribution	38,361	39,749	29,519	37,859	42,528	37,761	27,254	24,245	20,872	20,435
Contribution deficiency/(excess)	$ 2,446	$ -	$ 5,063	$ (5,000)	$ (8,600)	$ (11,610)	$ (2,595)	$ 390	$ -	$ -
Covered employee payroll	$ 137,680	$ 135,545	$ 137,596	$ 152,276	$ 147,474	$ 145,029	$ 155,560	$ 144,775	$ 135,098	$ 128,806
Actual contributions as a percentage of covered-employee payroll	27.9%	29.3%	21.5%	24.9%	28.8%	26.0%	17.5%	16.7%	15.4%	15.9%

STATE OF MARYLAND
Schedule of Changes in Net Pension Liability and Related Ratio for Maryland Transit Administration Pension Plan*
For the Year Ended June 30,
(Expressed in Thousands)

	2015	2014
Total pension liability		
Service cost	$ 24,718	$ 19,438
Interest	39,236	43,472
Differences between expected and actual experience	(19,621)	4,025
Changes of assumptions	53,480	38,643
Benefit payments, including refunds of member contributions	(30,636)	(32,598)
Net changes in total pension liability	67,177	72,980
Total pension liability-beginning ..	841,351	768,371
Total pension liability-ending.	$ 908,528	$ 841,351
Plan fiduciary net position		
Contributions-employer	$ 38,361	$ 39,749
Net investment income	8,279	28,742
Benefit payments, including refunds	(30,636)	(32,598)
Administrative expenses.	(1,851)	(2,057)
Net change in plan fiduciary net position	14,153	33,836
Plan fiduciary net position-beginning	223,692	189,856
Plan fiduciary net position-ending (b)	$ 237,845	$ 223,692
Net pension liability-ending (a)-(b)	$ 670,683	$ 617,659
Plan fiduciary net position as a percentage of the total pension liability	26.2%	26.6%
Covered employee payroll	$ 137,680	$ 135,545
Employer net pension liability as a percent of covered-employee payroll	487.1%	455.7%

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

STATE OF MARYLAND
Schedule of Employer Net Pension Liability for
Maryland Transit Administration Pension Plan*
For the Year Ended June 30,
(Expressed in Thousands)

	2015	2014
Total pension liability	$ 908,528	$ 841,351
Plan fiduciary net position	237,845	223,692
Employer net pension liability	670,683	$ 617,659
Plan fiduciary net position as a percentage of the total pension liability	26.18%	26.59%
Covered employee payroll	$ 137,680	$ 135,545
Employer net pension liability as a percentage of covered-employee payroll	487.13%	455.69%

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Schedule of Investment Returns for Maryland Transit Administration Pension Plan* Year Ending June 30,

(Expressed in Thousands)

Fiscal Year Ended	Annual money-weighted rate of return, net of investment expenses
2015	3.7%
2014	14.4%

Required Supplemental Schedule of Funding Progress for Other Post-Employment Benefits Plan

(Expressed in Thousands)

Actuarial Valuation Date June 30,	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
2015	$ 275,329	$ 9,643,607	$ (9,368,278)	2.9 %	$ 4,929,100	(190.1)%
2014	250,110	8,964,286	(8,714,176)	2.8	4,803,627	(181.4)
2013	222,628	8,343,651	(8,121,023)	2.6	4,457,421	(182.2)

Required Supplemental Schedule of Employer Contributions and Other Contributing Entities for Other Post-Employment Benefits Plan

(Expressed in Thousands)

Year Ended June 30,	Annual Required Contribution	Percentage Contributed		
		Employer Contributions (a)	Other Contributing Entities (b)	Total
2015	$ 574,359	74.0 %	- %	74.0 %
2014	576,050	69.4	-	69.4
2013	634,465	60.6	-	60.6

Required Supplemental Schedule of Funding Progress for Maryland Transit Administration Retiree Healthcare Benefit Plan

(Expressed in Thousands)

Actuarial Valuation Date June 30,	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
2015	$ -	$ 640,496	$ (640,496)	- %	$ 137,427	(466.1)%
2014	-	607,063	(607,063)	-	135,545	(447.9)
2013	-	670,833	(670,833)	-	137,596	(487.5)

Required Supplemental Schedule of Employer Contributions for Maryland Transit Administration Retiree Healthcare Benefit Plan

(Expressed in Thousands)

Year Ended June 30,	Annual Required Contribution	Actual Contribution Entry Age	Percentage Contributed
2015	$ 67,496	$ 13,905	20.6 %
2014	70,512	18,383	26.1
2013	70,512	14,147	20.1

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

(a) Employer contributions include pre-funding and pay-as-you-go contributions (net of retiree premiums).

(b) Other contributing entities consist of the Federal medicare drug subsidy contributed to the OPEB Trust.

STATE OF MARYLAND
Notes to Required Supplementary Information
For the Year Ended June 30, 2015

1. Budgeting and Budgetary Control:

The Maryland Constitution requires the Governor to submit to the General Assembly an annual balanced budget for the following fiscal year. This budget is prepared and adopted for the General Fund, which includes all transactions of the State, unless otherwise directed to be included in another fund and the Special Fund, which includes the transportation activities of the State, fishery and wildlife funds, shared taxes and payments of debt service on general obligation bonds. In contrast, the GAAP special revenue fund includes the operations (other than debt service and pension activities) of the Maryland Department of Transportation. The budgetary Federal fund revenue and expenditures are included in the GAAP General and Special Funds as federal revenues and expenditures by function. An annual budget is also prepared for the Federal Fund, which accounts for substantially all grants from the Federal government, and the current unrestricted and restricted funds of the Universities and Colleges. In addition to the annual budget, the General Assembly adopts authorizations for the issuance of general obligation bonds. The expenditures of the resources obtained thereby are accounted for in the capital projects fund.

All State budgetary expenditures for the general, special and federal funds are made pursuant to appropriations in the annual budget, as amended from time to time, by budget amendments. The legal level of budgetary control is at the program level of the general, special and federal funds. State governmental departments and independent agencies may, with the Governor's approval, amend the appropriations by program within the budgetary general fund, provided they do not exceed their total general fund appropriations as contained within the annual budget. Increases in total general fund appropriations must be approved by the General Assembly. For the fiscal year ended June 30, 2015, the General Assembly approved a net increase in General Fund appropriations of $187,812,000. Appropriations for programs funded by, in whole or in part, from the special or federal funds, may permit expenditures in excess of original special or federal fund appropriations to the extent that actual revenues exceed original budget estimates and such additional expenditures are approved by the Governor. Unexpended appropriations from the general fund may be carried over to succeeding years to the extent of encumbrances, with all other appropriations lapsing as of the end of the fiscal year. Unexpended appropriations from special and federal funds may be carried over to the extent of (a) available resources, and (b) encumbrances. The State's accounting system is maintained by the Comptroller in compliance with State Law and in accordance with the State's Budgetary Funds. It controls expenditures at the program level to ensure legal compliance. The "Agency Appropriation Unencumbered Balance Report," which is available for public inspection at the Office of the Comptroller, provides a more comprehensive accounting of activity on the basis of budgeting at the legal level of budgetary control.

The original and amended budget adopted by the General Assembly for the general, special and federal funds is presented in the Schedule of Revenues, Expenditures and Encumbrances, and Changes in Fund Balances, Budget and Actual for the year ended June 30, 2015. The State's budgetary fund structure and the basis of budgeting, which is the modified accrual basis with certain exceptions, differ from that utilized to present financial statements in conformity with generally accepted accounting principles. The budgetary system's principal departures from the modified accrual basis are the classification of the State's budgetary funds and the timing of recognition of certain revenues and expenditures. A summary of the effects of the fund structure differences and exceptions to the modified accrual basis of accounting, as of June 30, 2015, is provided in the "Reconciliation of the Budgetary General and Special Fund, Fund Balances to the GAAP General and Special Revenue Fund Balances" immediately following the budgetary schedule.

TREASURY DEPARTMENT
COMPTROLLER'S OFFICE
CRESCITE ET MULTIPLICAMINI

COMBINING FINANCIAL STATEMENTS

RECONSTRUCTION OF ORIGINAL 1676 STATEHOUSE

ST. MARY'S CITY

STATE OF MARYLAND

Non-major Governental Funds

Debt Service Funds

General Obligation Bonds, Debt Service Fund: Transactions related to resources obtained and used for the payment of interest and principal on general long-term debt obligations are accounted for in the general obligation bonds debt service fund.

Transportation Bonds, Debt Service Fund: Transactions related to resources obtained and used for the payment of interest and principal on transportation long-term debt obligations are accounted for in the transportation bonds debt service fund.

Capital Projects Funds

Transactions related to resources obtained and used for the acquisition, construction or improvement of certain capital facilities, including those provided to political subdivisions and other public organizations are accounted for in the capital projects fund. Such resources are derived principally from proceeds of general obligation bond issues, federal grants and operating transfers from the State's general fund. The State enters into long-term contracts for construction of major capital projects and records the related commitments as encumbrances.

STATE OF MARYLAND
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015
(Expressed in Thousands)

	Debt Service Funds			
	General Obligation Bonds	Transportation Bonds	Capital Projects Fund	Total Non-major Governmental Funds
Assets:				
Investments			$ 372,865	$ 372,865
Restricted Assets:				
Cash with fiscal agent	$ 42,772			42,772
Equity in pooled invested cash	135,184			135,184
Investments	12,870			12,870
Taxes receivable, net	24,159			24,159
Other accounts receivable	352			352
Loans and notes receivable, net	1,579			1,579
Total assets	$ 216,916	$ -	$ 372,865	$ 589,781
Liabilities:				
Vouchers payable			$ 92,858	$ 92,858
Accounts payable and accrued liabilities			38,155	38,155
Due to other funds			99,375	99,375
Accounts payable to political subdivisions			12,698	12,698
Total liabilities			243,086	243,086
Fund balances:				
Restricted	$ 216,916			216,916
Committed			641,740	641,740
Unassigned			(511,961)	(511,961)
Total fund balance	216,916		129,779	346,695
Total liabilities and fund balances	$ 216,916	$ -	$ 372,865	$ 589,781

STATE OF MARYLAND
Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2015

(Expressed in Thousands)

	Debt Service Funds			Total
	General Obligation Bonds	Transportation Bonds	Capital Projects Fund	Non-major Governmental Funds
Revenues:				
Property taxes	$ 736,486			$ 736,486
Interest and other investment income	1,230	$ 6	$ 803	2,039
Federal revenue	11,483			11,483
Other	1,754	1,719		3,474
Total revenue	750,954	1,725	803	753,482
Expenditures:				
Education			309,708	309,708
Aid to higher education			375,557	375,557
Intergovernmental grants and revenue sharing			235,953	235,953
Capital outlays			163,470	163,470
Debt Service:				
Principal retirement	658,368	152,415		810,783
Interest	360,074	79,989		440,063
Bond issuance costs	-		6,298	6,298
Total expenditures	1,018,442	232,404	1,090,987	2,341,833
Deficiency of revenues under expenditures	(267,488)	(230,679)	(1,090,183)	(1,588,351)
Other sources (uses) of financial resources				
Bonds issued			1,022,625	1,022,625
Refunding bonds issued			1,015,075	1,015,075
Bond premium	142,750		208,016	350,766
Payments to refunded bond escrow agent		(30,000)	(1,215,801)	(1,245,801)
Transfers in	146,486	248,348	29,901	424,735
Transfers out			(54,626)	(54,626)
Total other sources of financial resources	289,236	218,348	1,005,190	1,512,774
Net changes in fund balances	21,748	(12,331)	(84,994)	(75,577)
Fund balances, beginning of year	195,168	12,331	214,773	422,272
Fund balances, end of year	$ 216,916	$ -	$ 129,779	$ 346,695

STATE OF MARYLAND

Non-major Enterprise Funds

Transactions related to commercial types of activities operated by the State are accounted for in the enterprise funds. The non-major enterprise funds consist of the economic development insurance programs of the Department of Housing and Community Development and Maryland Correctional Enterprises, which utilizes inmate labor from State correctional institutions to manufacture goods, wares and merchandise to be sold to State and federal agencies, political subdivisions and charitable, civic, educational, fraternal or religious associations or institutions.

STATE OF MARYLAND
Combining Statement of Net Position
Non-major Enterprise Funds
June 30, 2015
(Expressed in Thousands)

	Economic Development Insurance Programs	Maryland Correctional Enterprises	Total Non-Major Enterprise Funds
Assets-			
Current assets:			
Equity in pooled invested cash	$ 1,312	$ 10,083	$ 11,395
Other accounts receivable		6,942	6,942
Inventories		13,340	13,340
Loans and notes receivable, net	182		182
Other assets	436	360	796
Restricted equity in pooled invested cash	83,334		83,334
Total current assets	85,264	30,725	115,989
Non-current assets:			
Investments	2,027		2,027
Loans and notes receivable, net	145		145
Capital assets, net of accumulated depreciation:			
Structures and improvements		2,631	2,631
Equipment		3,688	3,688
Total non-current assets	2,172	6,319	8,491
Total assets	87,436	37,044	124,480
Deferred outflows of resources		1,530	1,530
Liabilities-			
Current liabilities:			
Accounts payable and accrued liabilities	105	2,296	2,401
Accrued insurance on loan losses	11,902		11,902
Other liabilities	362	878	1,240
Unearned revenue	854	565	1,419
Total current liabilities	13,223	3,739	16,962
Non-current liabilities:			
Other liabilities	2,084	9,789	11,873
Total non-current liabilities	2,084	9,789	11,873
Total liabilities	15,307	13,528	28,835
Deferred inflows of resources		1,007	1,007
Net Position-			
Net investment in capital assets		6,319	6,319
Restricted for insurance programs	83,344		83,344
Unrestricted (deficit)	(11,215)	17,720	6,505
Total net position	$ 72,129	$ 24,039	$ 96,168

STATE OF MARYLAND
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-major Enterprise Funds
For the Year Ended June 30, 2015
(Expressed in Thousands)

	Economic Development Insurance Programs	Maryland Correctional Enterprises	Total Non-Major Enterprise Funds
Operating revenues:			
Charges for services and sales	$ 1,466	$ 54,057	$ 55,523
Unrestricted interest on loan income	529		529
Other	52		52
Total operating revenues	2,047	54,057	56,104
Operating expenses:			
Cost of sales and services		42,252	42,252
General and administrative	1,797	9,174	10,971
Depreciation and amortization		1,135	1,135
Provision for insurance on loan losses	1,041		1,041
Total operating expenses	2,838	52,561	55,399
Operating income (loss)	(791)	1,496	705
Non-operating revenues (expenses):			
Restricted investment income	868		868
Other		(66)	(66)
Total non-operating revenues (expenses)	868	(66)	802
Income before capital contributions and transfers	77	1,430	1,507
Transfers out	(879)	(1,000)	(1,879)
Changes in net position	(802)	430	(372)
Total net position - beginning of the year, as restated	72,931	23,609	96,540
Total net position - end of the year	$ 72,129	$ 24,039	$ 96,168

STATE OF MARYLAND
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Year Ended June 30, 2015
(Expressed in Thousands)

	Economic Development Insurance Programs	Maryland Correctional Enterprises	Total Non-Major Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	$ 1,455	$ 50,587	$ 52,042
Payments to suppliers		(39,020)	(39,020)
Payments to employees	(2,211)	(15,686)	(17,897)
Other receipts	548		548
Other payments	(1,500)		(1,500)
Net cash from operating activities	(1,708)	(4,119)	(5,827)
Cash flows from non-capital financing activities:			
Transfers out	(879)	(1,000)	(1,879)
Net cash from non-capital financing activities	(879)	(1,000)	(1,879)
Cash flows from capital and related financing activities:			
Acquisition of capital assets		(546)	(546)
Net cash from capital and related financing activities		(546)	(546)
Cash flows from investing activities:			
Interest received on debt instruments of other entities	868		868
Net cash from investing activities	868		868
Net change in cash and cash equivalents	(1,719)	(5,665)	(7,384)
Balance - beginning of the year	86,365	15,748	102,113
Balance - end of the year	$ 84,646	$ 10,083	$ 94,729
Reconciliation of operating income to net cash from operating activities:			
Operating income (loss)	$ (791)	$ 1,496	$ 705
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation and amortization		1,135	1,135
Deferred inflows of resources		1,007	1,007
Deferred inflows of resources		(363)	(363)
Effect of changes in non-cash operating assets and liabilities:			
Other accounts receivable		(3,167)	(3,167)
Inventories		(3,081)	(3,081)
Loans and notes receivable	25		25
Other assets	(8)	(288)	(296)
Accounts payable and accrued liabilities	(263)	369	106
Accrued insurance and loan losses	(556)		(556)
Unearned revenue	(11)	(303)	(314)
Other liabilities	(104)	(924)	(1,028)
Net cash from operating activities	$ (1,708)	$ (4,119)	$ (5,827)

STATE OF MARYLAND

Fiduciary Funds

The Pension and Other Employee Benefits Trust Funds include the Maryland State Retirement and Pension System, the Maryland Transit Administration Pension Plan, and the Deferred Compensation Plan. The Trust Funds reflect the transactions, assets, liabilities and net position of the plans administered by the State and the Maryland Transit Administration and are accounted for using the flow of economic resources measurement focus. The Deferred Compensation Plan, which is included with a year end of December 31, accounts for participant earnings deferred in accordance with Internal Revenue Code Sections 457, 403(b), 401(a) and 401(k). Amounts deferred are invested and are not subject to Federal income taxes until paid to participants upon termination or retirement from employment, death or for an unforeseeable emergency.

The agency funds are custodial in nature and do not present the results of operations or have a measurement focus. The State uses agency funds to account for the receipt and disbursement of patient and prisoner accounts, various taxes collected by the State for distribution to the Federal government and political subdivisions and amounts withheld from employee's payroll.

STATE OF MARYLAND
Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefits Trust Funds
June 30, 2015

(Expressed in Thousands)

	Maryland State Retirement and Pension System	Maryland Transit Administration Pension Plan	Deferred Compensation Plan	Total
			December 31, 2014	
Assets:				
Cash	$ 1,128,507	$ 932	$ 3,824	$ 1,133,263
Equity in pooled invested cash	5,829			5,829
Investments:				
U.S. Treasury and agency obligations	4,175,525	23,270		4,198,795
Bonds	4,481,927	23,797		4,505,724
Corporate equity securities	15,442,172	84,858		15,527,030
Mortgage related securities	1,895,887	9,990		1,905,877
Mutual funds.			2,477,670	2,477,670
Guaranteed investment contracts			774,659	774,659
Real estate	2,697,044			2,697,044
Annuity contracts			85,938	85,938
Private equity	3,656,731			3,656,731
Commingled funds	11,279,507	92,037		11,371,544
Investment held by borrowers under securities lent with cash collateral	1,308,762			1,308,762
Total investments	44,937,555	233,952	3,338,267	48,509,774
Other receivables	1,075,061	2,961	37,523	1,115,545
Collateral for lent securities.	1,343,488			1,343,488
Total assets	48,490,440	237,845	3,379,614	52,107,899
Liabilities:				
Accounts payable and accrued liabilities.	1,357,112			1,357,112
Collateral obligation for lent securities	1,343,488			1,343,488
Total liabilities	2,700,600			2,700,600
Net position held in trust for :				
Pension benefits	45,789,840	237,845		46,027,685
Deferred compensation benefit			3,379,613	3,379,613
Total net position	$ 45,789,840	$ 237,845	$ 3,379,613	$ 49,407,298

STATE OF MARYLAND
Combining Statement of Changes in Plan Net Position
Pension and Other Employee Benefits Trust Funds
For the Year Ended June 30, 2015

(Expressed in Thousands)

	Maryland State Retirement and Pension System	Maryland Transit Administration Pension Plan	Deferred Compensation Plan December 31, 2014	Total
Additions:				
Contributions:				
Employers	$ 1,129,681	$ 38,361	$ 28	$ 1,168,070
Members	755,444		153,458	908,902
Sponsors	728,931			728,931
Total contributions	2,614,056	38,361	153,487	2,805,903
Investment earnings:				
Net appreciation (depreciation) in fair value of investments	(126,669)	(5,766)	202,623	70,188
Interest	250,433	14,045	20,617	285,095
Dividends	1,420,987			1,420,987
Total investment income	1,544,751	8,279	223,240	1,776,270
Less: investment expense	347,080			347,080
Net investment income	1,197,671	8,279	223,240	1,429,190
Total additions	3,811,727	46,640	376,727	4,235,093
Deductions:				
Benefit payments	3,284,551	30,636	199,514	3,514,701
Refunds	48,245			48,245
Administrative expenses	29,080	1,851	4,932	35,863
Total deductions	3,361,876	32,487	204,446	3,598,809
Changes in net position	449,852	14,153	172,280	636,285
Net position held in trust for pension and other employee benefits:				
Beginning of the year	45,339,988	223,692	3,207,333	48,771,013
End of the year	$ 45,789,840	$ 237,845	$ 3,379,613	$ 49,407,298

STATE OF MARYLAND
Combining Schedule of Fiduciary Net Position
Maryland State Retirement and Pension System
June 30, 2015

(Expressed in Thousands)

	Teachers' Retirement and Pension System	Employees' Retirement and Pension System	State Police Retirement System	Judges' Retirement System	Law Enforcement Officers' Pension System	Subtotal	Eliminations*	Total
Assets:								
Cash	$ 601,701	$ 467,710	$ 45,497	$ (18,751)	$ 32,350	$ 1,128,507		$ 1,128,507
Equity in pooled invested cash	5,829					5,829		5,829
Investments, at fair value	27,365,568	15,103,391	1,263,862	434,684	770,049	44,937,554		44,937,554
Other receivables	613,954	400,785	34,085	8,477	17,760	1,075,061		1,075,061
Due from other systems		806			149	955	$ (955)	
Collateral for lent securities	982,860	344,556	(10,052)	9,854	16,271	1,343,489		1,343,489
Total assets	29,569,912	16,317,248	1,333,392	434,264	836,579	48,491,395	(955)	48,490,440
Liabilities:								
Accounts payable and accrued liabilities	822,739	461,464	40,585	11,877	20,447	1,357,112		1,357,112
Due to other system	385	437	23	1	109	955	(955)	
Collateral obligation for lent securities	982,860	344,556	(10,053)	9,854	16,271	1,343,488		1,343,488
Total liabilities	1,805,984	806,457	30,555	21,732	36,827	2,701,555	(955)	2,700,600
Net Position:								
Held in trust for pension benefits	$ 27,763,928	$ 15,510,791	$ 1,302,837	$ 412,532	$ 799,752	$ 45,789,840	$ -	$ 45,789,840

* Intersystem balances have been eliminated in the financial statements.

STATE OF MARYLAND
Combining Schedule of Changes in Plan Net Position
Maryland State Retirement and Pension System
For the Year Ended June 30, 2015

(Expressed in Thousands)

	Teachers' Retirement and Pension System	Employees' Retirement and Pension System	State Police Retirement System	Judges' Retirement System	Law Enforcement Officers' Pension System	Subtotal	Eliminations*	Total
Additions:								
Contributions:								
Employers	$ 334,832	$ 643,219	$ 76,056	$ 19,028	$ 56,546	$ 1,129,681	$	$ 1,129,681
Members	454,770	280,133	7,205	2,813	10,523	755,444		755,444
Sponsors	728,931					728,931		728,931
Total contributions	1,518,533	923,352	83,261	21,841	67,069	2,614,056		2,614,056
Investment earnings:								
Net increase in fair value of investments	(76,618)	(42,922)	(3,839)	(1,124)	(2,166)	(126,669)		(126,669)
Interest	146,950	82,504	6,835	2,155	4,167	242,611		242,611
Dividends	861,291	482,776	39,991	12,686	24,243	1,420,987		1,420,987
Income from securities lending	4,731	2,657	199	74	161	7,822		7,822
Total investment income	936,354	525,015	43,186	13,791	26,405	1,544,751		1,544,751
Less: investment expense	208,496	119,169	10,151	3,032	6,232	347,080		347,080
Net investment income	727,858	405,846	33,035	10,759	20,173	1,197,671		1,197,671
Total additions	2,246,391	1,329,198	116,296	32,600	87,242	3,811,727		3,811,727
Deductions:								
Benefit payments	1,933,457	1,147,453	119,468	28,874	55,299	3,284,551		3,284,551
Refunds	24,636	22,663	336	25	585	48,245		48,245
Administrative expenses	15,735	12,770	202	46	327	29,080		29,080
Total deductions	1,973,828	1,182,886	120,006	28,945	56,211	3,361,876		3,361,876
Net system transfers	277	(745)	16	(6)	459			
Changes in net position	272,840	145,567	(3,694)	3,649	31,490	449,852		449,852
Net position held in trust for pension benefits:								
Beginning of the year	27,491,088	15,365,224	1,306,531	408,883	768,262	45,339,988		45,339,988
End of the year	$ 27,763,928	$ 15,510,791	$ 1,302,837	$ 412,532	$ 799,752	$ 45,789,840	$ -	$ 45,789,840

*Intersystem transfers have been eliminated in the financial statements.

STATE OF MARYLAND
Combining Schedule of Fiduciary Net Position
Deferred Compensation Plan
December 31, 2014

(Expressed in Thousands)

	Deferred Compensation Plan Section 457	Savings and Investment Plan Section 401(k) Plan	Match Plan and Trust 401(a) Plan	Tax Sheltered Annuity Plan 403(b) Plan	Total
Assets:					
Cash ……	$ 3,824				$ 3,824
Investments, at fair value……	1,502,736	$ 1,569,358	$ 180,097	$ 86,075	3,338,267
Other receivables…….	17,886	19,215		422	37,523
Total assets……..…..	1,524,446	1,588,574	180,097	86,497	3,379,613
Net position:					
Held in trust for deferred compensation benefits……..…..	$ 1,524,446	$ 1,588,574	$ 180,097	$ 86,497	$ 3,379,613

STATE OF MARYLAND
Combining Schedule of Changes in Plan Net Position
Deferred Compensation Plan
For the Year Ended December 31, 2014

(Expressed in Thousands)

	Deferred Compensation Plan Section 457	Savings and Investment Plan Section 401(k) Plan	Match Plan and Trust 401(a) Plan	Tax Sheltered Annuity Plan 403(b) Plan	Total
Additions:					
Contributions:					
Employers…….……			$ 28		$ 28
Members…….……..	$ 60,837	$ 89,860		$ 2,761	153,458
Total contributions…….……	60,837	89,860	28	2,761	153,487
Investment earnings:					
Net increase in fair value of investments……	82,561	99,949	13,397	6,717	202,623
Interest…….……..	12,531	7,181	673	232	20,617
Net investment income……..……	95,092	107,130	14,070	6,949	223,240
Total additions…….…….……..	155,929	196,990	14,098	9,710	376,727
Deductions:					
Benefit payments……	94,825	91,202	7,461	6,027	199,514
Administrative expenses……..….	2,041	2,513	247	131	4,932
Total deductions…….……	96,866	93,715	7,708	6,158	204,446
Changes in net position……..…….……..	59,063	103,275	6,390	3,552	172,281
Net position held in trust for pension and other employee benefits:					
Beginning of the year……..…..….	1,465,381	1,485,299	173,708	82,945	3,207,333
End of the year……	$ 1,524,446	$ 1,588,574	$ 180,097	$ 86,497	$ 3,379,613

STATE OF MARYLAND
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2015
(Expressed in Thousands)

	Agency Funds					
	Local Income Taxes	Insurance Premium Taxes	Local Transportation Funds and Other Taxes	Payroll Taxes and Fringe Benefits	Litigant, Patient and Prisoner Accounts	Total Agency Funds
Assets:						
Cash		$ 10	$ 15,912		$ 52,274	$ 68,196
Equity in pooled invested cash	$ 937,281	94,205	18,511	$ 503	8,979	1,059,479
Taxes receivable, net	203,109					203,109
Intergovernmental receivables				17		17
Accounts receivable from state treasury	650,000					650,000
Total assets	$ 1,790,390	$ 94,215	$ 34,423	$ 520	$ 61,253	$ 1,980,801
Liabilities:						
Accounts payable and accrued liabilities		$ 94,215	$ 5,909	$ 520	$ 56,804	$ 157,448
Accounts payable to political subdivisions	$ 1,790,390		28,514		4,449	1,823,353
Total liabilities	$ 1,790,390	$ 94,215	$ 34,423	$ 520	$ 61,253	$ 1,980,801

STATE OF MARYLAND
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015
(Expressed in Thousands)

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Litigant, Patient and Prisoner Accounts				
Assets:				
Cash	$ 40,326	$ 125,056	$ 113,108	$ 52,274
Equity in pooled invested cash	12,064	23,157	26,242	8,979
Total assets	$ 52,390	$ 148,213	$ 139,350	$ 61,253
Liabilities:				
Accounts payable and accrued liabilities	$ 48,111	$ 147,511	$ 138,818	$ 56,804
Accounts payable to political subdivisions	4,279	702	532	4,449
Total liabilities	$ 52,390	$ 148,213	$ 139,350	$ 61,253
Insurance Premium Taxes				
Assets:				
Cash	$ 10			$ 10
Equity in pooled invested cash	93,706	$ 36,134	$ 35,635	94,205
Total assets	$ 93,716	$ 36,134	$ 35,635	$ 94,215
Liabilities:				
Accounts payable and accrued liabilities	$ 93,716	$ 36,134	$ 35,635	$ 94,215
Local Income Taxes				
Assets:				
Equity in pooled invested cash	$ 846,643	$ 5,353,757	$ 5,263,119	$ 937,281
Taxes receivable	180,929	203,109	180,929	203,109
Accounts receivable from state treasury	550,000	100,000		650,000
Total assets	$ 1,577,572	$ 5,656,866	$ 5,444,048	$ 1,790,390
Liabilities:				
Accounts payable to political subdivisions	$ 1,577,572	$ 5,656,866	$ 5,444,048	$ 1,790,390
Local Transportation Funds and Other Taxes				
Assets:				
Cash	$ 31,608		$ 15,696	$ 15,912
Equity in pooled invested cash	15,956	$ 130,761	128,206	18,511
Total assets	$ 47,564	$ 130,761	$ 143,902	$ 34,423
Liabilities:				
Accounts payable and accrued liabilities	$ 3,649	$ 5,909	$ 3,649	$ 5,909
Accounts payable to political subdivisions	43,915	124,852	140,253	28,514
Total liabilities	$ 47,564	$ 130,761	$ 143,902	$ 34,423
Payroll Taxes and Fringe Benefits				
Assets:				
Equity in pooled invested cash	$ 500	$ 1,650,763	$ 1,650,760	$ 503
Intergovernmental receivables	116	17	116	17
Total assets	$ 616	$ 1,650,780	$ 1,650,876	$ 520
Liabilities:				
Accounts payable and accrued liabilities	$ 616	$ 1,650,780	$ 1,650,876	$ 520
Totals - All Agency Funds				
Assets:				
Cash	$ 71,944	$ 125,056	$ 128,804	$ 68,196
Equity in pooled invested cash	968,869	7,194,572	7,103,962	1,059,479
Taxes receivable	180,929	203,109	180,929	203,109
Intergovernmental receivables	116	17	116	17
Accounts receivable from state treasury	550,000	100,000		650,000
Total assets	$ 1,771,858	$ 7,622,754	$ 7,413,811	$ 1,980,801
Liabilities:				
Accounts payable and accrued liabilities	$ 146,092	$ 1,840,334	$ 1,828,978	$ 157,448
Accounts payable to political subdivision	1,625,766	5,782,420	5,584,833	1,823,353
Total liabilities	$ 1,771,858	$ 7,622,754	$ 7,413,811	$ 1,980,801

Non-major Component Unit Financial Statements

Non-major Component Units

Non-major component units are comprised of the following proprietary fund type entities.

Maryland Environmental Service

The Maryland Environmental Service was created as a body corporate and politic. The Service helps private industry and local governments manage liquid, solid and hazardous wastes. In accordance with direction from the Governor, the Service plans and establishes major resource recovery facilities, solid waste management plans and hazardous waste management programs.

Maryland Industrial Development Financing Authority

The Maryland Industrial Development Financing Authority was established as a body corporate and politic and a public instrumentality of the State to provide financial assistance to enterprises seeking to locate or expand operations in Maryland.

Maryland Food Center Authority

The Maryland Food Center Authority is a body corporate and politic which was created to establish and operate a consolidated wholesale food center within the Greater Baltimore Region and is subject to State regulations.

Maryland Technology Development Corporation

The Maryland Technology Development Corporation was established as a body corporate and politic and a public instrumentality of the State to assist in the commercialization of technology developed in the universities and the private sector. The corporation administers the Maryland Technology Incubator program and the Maryland Stem Cell Research Fund.

Maryland Stadium Authority

The Maryland Stadium Authority was created as a body corporate and politic and as an independent unit of the Executive Department of the State of Maryland. The Authority's purpose is to acquire land and to construct, operate and/or manage various capital facilities in the State.

STATE OF MARYLAND
Combining Statement of Net Position
Non-major Component Units
June 30, 2015
(Expressed in Thousands)

	Maryland Environmental Service	Maryland Industrial Development Financing Authority	Maryland Food Center Authority	Maryland Technology Development Corporation	Maryland Stadium Authority	Total Non-major Component Units
Assets:						
Cash	$ 48,406		$ 4	$ 10,041	$ 733	$ 59,184
Equity in pooled invested cash		$ 34,717	4,337		37,036	76,090
Investments	10,211			7,241		17,452
Other accounts receivables	17,044		128	428	7,199	24,799
Due from primary government				10,217	5,909	16,126
Loans and notes receivable, net			100	1,892	3,326	5,318
Investments in direct financing leases					140,559	140,559
Other assets	10,664		9	29	205	10,907
Restricted assets:						
Cash	194					194
Investments	2,230				2,270	4,500
Capital assets, net of accumulated depreciation:						
Land	5,952		5,103			11,055
Structures and improvements	30,217		15,859		101,521	147,597
Infrastructure	372					372
Equipment	7,036		767	17	7,518	15,338
Construction in progress			654			654
Total assets	132,326	34,717	26,961	29,865	306,276	530,145
Deferred outflows of resources	331		196		1,102	1,629
Liabilities:						
Accounts payable and accrued liabilities	15,608		279	18,139	44,147	78,173
Unearned revenue		195	106	3,598	480	4,379
Accrued insurance on loan losses		1,910				1,910
Other liabilities			219			219
Bonds and notes payable:						
Due within one year	1,061				22,230	23,291
Due in more than one year	21,313				153,095	174,408
Other noncurrent liabilities:						
Due within one year	43,950		119		140	44,209
Due in more than one year	19,303		1,318		21,029	41,650
Total liabilities	101,235	2,105	2,041	21,737	241,121	368,239
Deferred inflows of resources	230		138		663	1,031
Net position:						
Net investment in capital assets	16,239		22,384	17	58,264	96,904
Restricted:						
Debt service					2,270	2,270
Capital improvements and deposits	12			25		37
Unrestricted	14,941	32,612	2,594	8,086	5,060	63,293
Total net position	$ 31,192	$ 32,612	$ 24,978	$ 8,128	$ 65,594	$ 162,504

STATE OF MARYLAND
Combining Statement of Activities
Non-major Component Units
For the Year Ended June 30, 2015
(Expressed in Thousands)

	Maryland Environmental Service	Maryland Industrial Development Financing Authority	Maryland Food Center Authority	Maryland Technology Development Corporation	Maryland Stadium Authority	Total Non-major Component Units
Expenses:						
General and administrative……..	$ 14,134	$ 2,444	$ 1,179	$ 618	$ 9,404	$ 27,779
Operation and maintenance of facilities……..	125,373		2,433		28,225	156,031
Provision for insurance on loan losses, net……..		100				100
Interest on long-term debt…….……..	1,275				8,130	9,405
Depreciation and amortization……	2,786		963	11	17,537	21,297
Other……	938	500		21,344	7,240	30,022
Total expenses……..……	144,506	3,044	4,575	21,973	70,536	244,634
Program revenues:						
Charges for services and sales…….	144,280	1,301	4,886	1,045	41,254	192,766
Total charges for services……	144,280	1,301	4,886	1,045	41,254	192,766
Operating grants and contributions……..…	2,663	328		21,279	22,262	46,532
Total program revenues……..…..…	146,943	1,629	4,886	22,324	63,516	239,298
Net program revenue (expense)……..	2,437	(1,415)	311	351	(7,020)	(5,336)
General revenues:						
Unrestricted investment income……..….	42	365	35	317		759
Total general revenues……..…	42	365	35	317		759
Change in net position ……	2,479	(1,050)	346	668	(7,020)	(4,577)
Net position - beginning of the year, as restated…..	28,713	33,662	24,632	7,460	72,614	167,081
Net position - end of the year……..	$ 31,192	$ 32,612	$ 24,978	$ 8,128	$ 65,594	$ 162,504

TREASURY DEPARTMENT
COMPTROLLER'S OFFICE
CRESCITE ET MULTIPLICAMINI

STATISTICAL SECTION

SAGAMORE FARM

BALTIMORE COUNTY

Statistical Section

This part of the State's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's economic condition.

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Operating Information
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year

STATE OF MARYLAND
Net Position by Component, Primary Government
Last Ten Fiscal Years
(accrual basis of accounting)

(Expressed in Thousands)

	Year ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Net investment in capital assets	$ 14,737,916	$ 14,312,895	$ 14,203,503	$ 13,771,338	$ 13,669,573	$ 13,796,006	$ 14,381,207	$ 14,267,201	$ 13,853,102	$ 13,405,751
Restricted	233,403	214,000	241,446	229,448	200,791	154,372	126,583	87,879	88,808	149,621
Unrestricted (deficit)	(25,444,098)	(12,086,503)	(10,915,188)	(10,023,466)	(8,238,126)	(6,664,836)	(5,152,460)	(2,273,983)	(559,318)	140,553
Total governmental activities net position	$ (10,472,779)	$ 2,440,392	$ 3,529,761	$ 3,977,320	$ 5,632,238	$ 7,285,542	$ 9,355,330	$ 12,081,097	$ 13,382,592	$ 13,695,925
Business-type activities:										
Net investment in capital assets	$ 3,070,913	$ 2,780,663	$ 2,396,073	$ 2,314,382	$ 2,117,369	$ 1,554,706	$ 1,368,562	$ 1,685,176	$ 1,613,891	$ 1,303,668
Restricted	1,981,316	2,074,041	2,267,356	2,219,474	2,002,872	2,281,572	2,321,225	2,421,939	1,835,767	1,901,771
Unrestricted	2,213,139	2,208,475	2,112,651	1,855,353	1,602,600	1,453,631	1,498,587	1,250,324	1,725,338	1,670,224
Total business-type activities net position	$ 7,265,368	$ 7,063,179	$ 6,776,080	$ 6,389,209	$ 5,722,841	$ 5,289,909	$ 5,188,374	$ 5,357,439	$ 5,174,996	$ 4,875,663
Primary government:										
Net investment in capital assets	$ 17,808,829	$ 17,093,558	$ 17,093,558	$ 16,599,576	$ 16,085,720	$ 15,786,942	$ 15,350,712	$ 15,749,769	$ 15,952,377	$ 15,466,993
Restricted	2,214,719	2,288,041	2,288,041	2,508,802	2,448,922	2,203,663	2,435,944	2,447,808	2,509,818	1,924,575
Unrestricted (deficit)	(23,230,959)	(9,878,028)	(9,878,028)	(8,802,537)	(8,168,113)	(6,635,526)	(5,211,205)	(3,653,873)	(1,023,659)	1,166,020
Total primary government net position	$ (3,207,411)	$ 9,503,571	$ 9,503,571	$ 10,305,841	$ 10,366,529	$ 11,355,079	$ 12,575,451	$ 14,543,704	$ 17,438,536	$ 18,557,588

STATE OF MARYLAND
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Expressed in Thousands)

	Year ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities (1):										
Expenses	$ 33,955,678	$ 32,979,215	$ 31,110,854	$ 31,045,539	$ 31,067,223	$ 29,909,914	$ 28,467,897	$ 26,793,866	$ 24,691,358	$ 22,326,398
Program revenues	14,239,658	13,221,268	12,655,977	12,356,151	13,002,556	12,207,706	10,177,024	8,669,151	8,669,565	8,073,911
Net (expense)/revenue, governmental activities	(19,716,020)	(19,757,947)	(18,454,877)	(18,689,388)	(18,064,667)	(17,702,208)	(18,290,873)	(18,124,715)	(16,021,793)	(14,252,487)
General revenues and other changes, governmental activities	19,853,048	18,699,201	18,007,318	17,034,470	16,411,363	15,632,420	15,742,974	16,823,220	15,708,460	15,530,669
Change in net position, governmental activities	137,028	(1,058,746)	(447,559)	(1,654,918)	(1,653,304)	(2,069,788)	(2,547,899)	(1,301,495)	(313,333)	1,278,182
Net position, beginning	2,440,392	3,529,761	3,977,320	5,632,238	7,285,542	9,355,330	12,081,097	13,382,592	13,695,925	12,417,743
Restatement (2)	(13,050,199)	(30,623)					(177,868)			
Net position, ending, governmental activities	$ (10,472,779)	$ 2,440,392	$ 3,529,761	$ 3,977,320	$ 5,632,238	$ 7,285,542	$ 9,355,330	$ 12,081,097	$ 13,382,592	$ 13,695,925
Business-type activities (1):										
Expenses	$ 3,519,427	$ 3,560,492	$ 3,724,891	$ 3,751,849	$ 3,666,971	$ 3,905,705	$ 3,191,998	$ 2,308,944	$ 2,204,570	$ 2,018,125
Program revenues	4,847,349	4,767,617	4,889,817	4,917,366	4,622,076	4,628,272	3,323,650	2,943,519	2,822,801	2,850,386
Net (expense)/revenue, business-type activities	1,327,922	1,207,125	1,164,926	1,165,517	955,105	722,567	131,652	634,575	618,231	832,261
General revenues and other changes, business-type activities	(935,046)	(879,484)	(778,055)	(499,149)	(522,173)	(605,726)	(443,156)	(452,132)	(318,898)	(453,416)
Change in net position, business-type activities	392,876	327,641	386,871	666,368	432,932	116,841	(311,504)	182,443	299,333	378,845
Net position, beginning	7,063,179	6,776,080	6,389,209	5,722,841	5,289,909	5,188,374	5,357,439	5,174,996	4,875,663	4,496,818
Restatement (2)	(190,687)	(40,542)				(15,306)	142,439			
Net position, ending, business-type activities	$ 7,265,368	$ 7,063,179	$ 6,776,080	$ 6,389,209	$ $5,722,841	$ 5,289,909	$ 5,188,374	$ 5,357,439	$ 5,174,996	$ 4,875,663
Primary government:										
Expenses	$ 37,475,105	$ 36,539,707	$ 34,835,745	$ 34,797,388	$ 34,734,194	$ 33,815,619	$ 31,659,895	$ 29,102,810	$ 26,895,928	$ 24,344,523
Program revenues	19,087,007	17,988,885	17,545,794	17,273,517	17,624,632	16,835,978	13,500,674	11,612,670	11,492,366	10,924,297
Net (expense)/revenue, primary government	(18,388,098)	(18,550,822)	(17,289,951)	(17,523,871)	(17,109,562)	(16,979,641)	(18,159,221)	(17,490,140)	(15,403,562)	(13,420,226)
General revenues and other changes, primary government	18,918,002	17,819,717	17,229,263	16,535,321	15,889,190	15,026,694	15,299,818	16,371,088	15,389,562	15,077,253
Change in net position, primary government	529,904	(731,105)	(60,688)	(988,550)	(1,220,372)	(1,952,947)	(2,859,403)	(1,119,052)	(14,000)	1,657,027
Net position, beginning	9,503,571	10,305,841	10,366,529	11,355,079	12,575,451	14,543,704	17,438,536	18,557,588	18,571,588	16,914,561
Restatement	(13,240,886)	(71,165)				(15,306)	(35,429)			
Net position ending, primary government	$ (3,207,411)	$ 9,503,571	$ 10,305,841	$ 10,366,529	$ 11,355,079	$ 12,575,451	$ 14,543,704	$ 17,438,536	$ 18,557,588	$ 18,571,588

(1) See the Expenses by Function, Primary Government and Revenues, Primary Government schedules for detail information on expenses and revenues.

(2) Beginning net position balances were restated for fiscal year 2009 to recognize pollution remediation obligations for governmental activities and a prior period adjustment for capital assets of the Maryland Transportation Authority in the business-type activities. Beginning net position was restated for fiscal year 2010 due to implementation of GASB Statement No. 53. Beginning net position was restated for fiscal year 2014 due to implementation of GASB Statement No. 65 and for fiscal year 2015 due to implementation of GASB Statement No. 68.

STATE OF MARYLAND
Expenses by Function, Primary Government
Last Ten Fiscal Years
(accrual based accounting)
(Expressed in Thousands)

	Year ended June 30,									
Functions/Programs	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Government activities:										
General government	$ 861,601	$ 832,041	$ 894,637	$ 871,352	$ 865,519	$ 837,542	$ 835,858	$ 815,107	$ 712,936	$ 693,074
Health and mental hygiene	11,995,583	11,078,408	10,038,006	9,870,227	9,592,240	9,174,006	8,398,880	7,648,495	7,400,023	6,588,057
Education	7,765,925	7,970,236	7,695,521	7,790,385	7,896,010	7,294,358	7,173,417	6,834,608	6,469,864	5,701,642
Aid for higher education	2,200,669	2,042,523	1,918,549	1,898,244	1,921,224	1,908,027	1,878,043	1,851,379	1,299,090	1,103,514
Human resources	2,544,917	2,584,755	2,611,879	2,551,033	2,537,952	2,401,029	2,163,217	1,859,485	1,647,583	1,622,945
Public safety	2,034,175	2,101,314	2,095,994	2,078,085	2,198,490	2,119,696	2,134,038	2,100,098	1,852,861	1,674,995
Transportation	3,610,810	3,504,411	3,146,053	3,155,703	3,176,910	3,460,865	3,202,687	3,054,406	2,913,259	2,382,539
Judicial	699,116	662,086	642,559	649,324	681,717	654,605	682,324	633,844	541,713	506,787
Labor, licensing and regulation	325,179	333,701	319,757	279,632	277,887	253,977	204,027	186,470	168,022	157,675
Natural resources and recreation	275,936	213,004	185,627	207,840	205,921	187,525	219,060	179,682	166,751	181,682
Housing and community development	266,523	294,408	295,611	347,008	373,548	319,721	248,334	247,515	229,008	217,544
Environment	109,349	102,712	104,685	108,213	126,054	121,957	123,854	108,273	92,977	84,973
Agriculture	89,464	97,770	97,234	46,645	90,502	57,275	94,930	82,163	59,294	56,706
Business and economic development	100,264	105,177	71,517	78,406	83,519	78,701	94,584	97,991	66,405	57,093
Intergovernmental grants	600,362	541,034	507,660	614,685	611,595	635,467	624,475	742,398	738,973	979,450
Interest	475,805	515,633	485,565	498,757	428,135	405,163	390,169	351,952	332,599	317,722
Total governmental activities expenses	33,955,678	32,979,215	31,110,854	31,045,539	31,067,223	29,909,914	28,467,897	26,793,866	24,691,358	22,326,398
Business-type activities:										
Economic development-insurance programs	2,838	4,534	12,565	4,689	12,693	4,247	8,881	4,759	1,545	11
Economic development-general loan programs	16,817	32,176	20,344	20,106	18,905	13,501	30,586	21,547	181,394	19,129
Economic development-water quality loan programs	251,636	174,566	209,263	142,280	153,331	99,911	43,245	42,409	8,465	26,045
Economic development- housing loan programs	179,393	202,818	207,423	204,117	193,258	201,077	210,603	189,906	58,816	131,420
Unemployment insurance program	680,420	925,005	1,246,507	1,585,495	1,629,721	2,004,334	1,330,465	544,109	445,877	403,776
Maryland Lottery and and Gaming Control Agency	1,845,837	1,701,020	1,525,381	1,331,899	1,254,095	1,205,310	1,207,171	1,133,587	1,094,065	1,061,295
Maryland Transportation Authority	489,859	469,606	451,944	412,509	355,467	327,360	308,383	325,721	368,170	334,905
Maryland Correctional Enterprises	52,627	50,767	51,464	50,754	49,501	49,965	52,664	46,906	46,238	41,544
Total business-type activities expenses	3,519,427	3,560,492	3,724,891	3,751,849	3,666,971	3,905,705	3,191,998	2,308,944	2,204,570	2,018,125
Total primary government expenses	$ 37,475,105	$ 36,539,707	$ 34,835,745	$ 34,797,388	$ 34,734,194	$ 33,815,619	$ 31,659,895	$ 29,102,810	$ 26,895,928	$ 24,344,523

STATE OF MARYLAND
Revenues, Primary Government
Last Ten Fiscal Years
(accrual based accounting)
(Expressed in Thousands)

	Year ended June 30,									
Source	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Program revenues:										
Charges for services:										
General government	$ 657,548	$ 577,929	$ 724,997	$ 500,747	$ 455,729	$ 490,230	$ 616,176	$ 359,589	$ 424,639	$ 301,119
Health and mental hygiene	1,223,465	1,445,746	1,368,278	1,332,658	1,205,122	948,124	564,677	458,706	417,753	353,211
Transportation	652,820	582,332	679,378	541,961	540,859	527,330	508,629	611,002	643,447	583,346
Judicial	277,001	313,598	349,347	434,276	283,781	246,027	252,847	260,145	403,697	415,925
Other activities	391,082	418,981	454,900	462,765	460,733	608,284	462,761	377,905	327,765	303,259
Operating grants and contributions	10,263,139	9,056,184	8,233,915	8,199,616	9,341,179	8,659,808	7,079,697	5,924,816	5,725,441	5,323,300
Capital grants and contributions	774,605	826,498	845,162	884,128	715,153	727,903	692,237	676,988	726,823	793,751
Total program revenues	14,239,660	13,221,268	12,655,977	12,356,151	13,002,556	12,207,706	10,177,024	8,669,151	8,669,565	8,073,911
General revenues:										
Taxes:										
Income Taxes	9,445,934	8,803,951	8,657,390	7,868,089	7,605,497	7,003,514	7,167,890	7,885,639	7,333,979	7,119,633
Sales and use taxes	4,412,308	4,199,862	4,115,724	4,078,000	3,898,509	3,760,756	3,857,020	3,748,724	3,448,766	3,385,391
Motor vehicle taxes	2,383,505	2,196,805	2,072,571	1,988,153	1,913,570	1,796,769	1,787,144	1,920,460	1,995,525	1,996,645
Tobacco taxes	391,452	402,403	415,922	411,427	407,570	405,915	405,559	376,112	277,755	280,307
Insurance company taxes	505,991	475,294	429,410	428,023	392,287	382,569	369,479	469,144	390,026	356,816
Property taxes	1,002,787	972,947	990,061	994,439	1,043,943	1,009,768	968,892	1,026,592	1,010,513	1,142,071
Estate and inheritance taxes	266,809	238,276	258,978	221,206	241,576	196,002	229,723	261,987	242,208	238,462
Other taxes	306,505	313,474	293,031	296,068	302,421	294,752	293,391	311,048	309,883	302,106
Unrestricted investment earnings	186,926	212,533	(4,794)	155,587	79,042	167,581	202,682	345,578	350,249	251,388
Transfers	950,831	883,656	779,026	593,478	526,948	614,794	461,194	477,936	349,556	457,850
Total general revenues, special items and transfers	19,853,048	18,699,201	18,007,318	17,034,470	16,411,363	15,632,420	15,742,974	16,823,220	15,708,460	15,530,669
Total revenues and transfers - governmental activities	34,092,708	31,920,469	30,663,295	29,390,621	29,413,919	27,840,126	25,919,998	25,492,371	24,378,025	23,604,580
Business-type activities:										
Program revenues:										
Charges for services:										
Unemployment insurance program	679,346	658,998	899,368	1,136,677	1,031,602	953,711	475,032	440,848	464,411	541,386
Maryland Lottery and Gaming Control Agency	2,877,945	2,645,960	2,444,195	2,022,445	1,828,489	1,711,285	1,699,156	1,673,038	1,577,311	1,560,906
Maryland Transportation Authority	827,759	804,642	617,334	532,042	553,786	588,427	391,558	425,504	371,468	404,446
Other activities	337,580	355,935	337,214	307,914	327,854	359,204	366,916	346,494	333,621	274,918
Operating grants and contributions	124,719	302,082	591,706	917,219	880,345	1,015,645	390,988	57,635	25,995	27,020
Capital grants and contributions				1,069					49,995	41,710
Total program revenues	4,847,349	4,767,617	4,889,817	4,917,366	4,622,076	4,628,272	3,323,650	2,943,519	2,822,801	2,850,386
General revenues:										
InvestMD tax credits				84,000						
Unrestricted investment earnings	15,785	4,172	971	10,329	4,775	9,068	18,038	25,804	30,658	4,434
Transfers	(950,831)	(883,656)	(779,026)	(593,478)	(526,948)	(614,794)	(461,194)	(477,936)	(349,556)	(457,850)
Total general revenues and transfers	(935,046)	(879,484)	(778,055)	(499,149)	(522,173)	(605,726)	(443,156)	(452,132)	(318,898)	(453,416)
Total revenues and transfers- business-type activities	3,912,303	3,888,133	4,111,762	4,418,217	4,099,903	4,022,546	2,880,494	2,491,387	2,503,903	2,396,970
Total primary government revenues and transfers	$ 38,005,011	$ 35,808,602	$ 34,775,057	$ 33,808,838	$ 33,513,822	$ 31,862,672	$ 28,800,492	$ 27,983,758	$ 26,881,928	$ 26,001,550

STATE OF MARYLAND
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual based accounting)
(Expressed in Thousands)

	Year ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund (2):										
Nonspendable……..	$ 514,051	$ 495,542	$ 493,431	$ 485,654	$ 468,330	$ 448,982				
Restricted…….	16,487	6,501	187	632	294	398				
Committed……..	1,519,539	1,553,584	1,488,477	1,271,765	1,163,278	1,140,676				
Unassigned……..	(766,124)	(916,302)	(622,860)	(680,949)	(292,292)	(340,964)				
Reserved…….…….……							$ 1,363,060	$ 1,388,192	$ 2,373,711	$ 1,490,670
Unreserved (deficit)……..…..…..……							146,862	1,497,396	885,256	2,041,884
Total general fund……..……..	1,283,953	1,139,325	1,359,235	1,077,102	1,339,610	1,249,092	1,509,922	2,885,588	3,258,967	3,532,554
All other governmental funds (2):										
Nonspendable……..	197,847	192,871	183,355	181,093	182,156	171,094				
Restricted…….……	216,916	207,499	241,260	228,816	200,497	154,386				
Committed……..…..…….	800,158	791,084	663,718	550,287	568,396	608,854				
Unassigned (1)…….	(511,961)	(414,043)	(353,964)	(431,416)	(403,711)	(358,796)				
Reserved…….……..							574,349	519,013	523,796	599,016
Unreserved, reported in:										
Special revenue funds…….……..							166,567	(29,236)	162,627	219,737
Capital projects funds (1)……							(375,595)	(128,045)	(83,260)	(196,454)
Debt service funds……..							104,238	54,263	57,132	122,456
Total all other governmental funds……..	702,960	777,411	734,369	528,780	547,338	575,538	469,559	415,995	660,295	744,755
Total governmental funds…….	$ 1,986,913	$ 1,916,736	$ 2,093,604	$ 1,605,882	$ 1,886,948	$ 1,824,630	$ 1,979,481	$ 3,301,583	$ 3,919,262	$ 4,277,309

(1) The unreserved and unassigned fund balance deficit of the capital projects fund will be funded by future bond proceeds and capital appropriations of the general fund.
(2) Beginning in fiscal year 2010, fund balances were restated due to implementation of GASB Statement No. 54.

STATE OF MARYLAND
Changes in Fund Balances, Government Funds
Last Ten Fiscal Years
(modified accrual based accounting)

(Expressed in Thousands)

	Year ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Income taxes	$ 9,418,584	$ 8,743,986	$ 8,652,063	$ 7,822,259	$ 7,639,285	$ 6,957,811	$ 7,156,297	$ 7,868,899	$ 7,325,181	$ 7,108,573
Retail sales and use taxes	4,410,080	4,196,314	4,114,462	4,076,729	3,896,876	3,754,326	3,851,752	3,748,933	3,447,896	3,382,851
Motor vehicle taxes and fees	2,383,505	2,196,805	2,072,571	1,988,153	1,913,570	1,796,769	1,787,144	1,920,460	1,995,525	1,996,645
Tobacco taxes	391,452	402,403	415,922	411,427	407,570	405,915	405,559	376,112	277,755	280,307
Insurance company taxes	505,991	475,294	429,410	428,023	392,287	382,569	369,479	469,144	390,026	356,816
Property taxes	1,002,786	972,947	990,061	994,439	1,043,943	1,009,768	968,892	1,026,592	1,010,513	1,142,071
Estate & inheritance taxes	266,809	238,276	258,978	221,206	241,576	196,002	229,723	261,987	242,208	238,462
Other taxes	306,505	313,474	293,031	296,068	302,421	294,752	293,391	311,048	309,883	302,106
Other licenses and fees	641,478	607,785	678,648	714,891	683,289	682,756	686,806	651,079	782,712	808,617
Charges for services	2,132,893	2,304,305	2,403,377	2,150,332	1,878,075	1,639,917	1,259,309	1,108,666	1,050,187	970,345
Revenues pledged as security for bonds*					95,057	89,521	66,098	77,541	70,563	70,593
Interest and other investment income	66,067	110,607	(89,273)	88,068	23,052	121,233	161,696	307,403	315,121	219,609
Federal	11,033,156	9,897,214	9,096,720	9,104,024	9,968,631	9,386,888	7,767,558	6,604,348	6,407,172	6,118,583
Other	439,015	412,182	474,867	405,263	309,902	413,762	377,127	214,755	240,671	108,689
Total revenues	32,998,322	30,871,592	29,790,838	28,700,882	28,795,534	27,131,989	25,380,831	24,946,967	23,865,413	23,104,267
Expenditures:										
Current:										
General government	860,009	836,341	884,048	836,112	775,370	762,488	757,186	729,788	716,958	738,472
Education	10,079,813	9,636,845	9,305,918	9,298,976	9,474,145	9,104,692	8,948,062	8,638,203	7,683,885	6,758,158
Business and economic development	100,030	103,253	69,425	75,835	79,284	74,578	90,892	94,503	65,774	56,374
Labor, licensing and regulation	322,158	319,814	304,289	261,615	246,700	226,118	182,751	166,848	164,255	154,607
Human resources	2,543,937	2,542,075	2,557,386	2,488,200	2,420,789	2,291,347	2,061,959	1,761,284	1,643,078	1,622,922
Health and mental hygiene	12,007,975	11,160,187	9,949,816	9,772,861	9,441,903	9,040,549	8,286,032	7,536,747	7,252,117	6,547,288
Environment	107,103	96,901	87,728	96,116	107,457	110,092	106,307	95,918	92,460	83,793
Transportation	1,719,153	1,793,001	1,468,019	1,472,418	1,228,659	1,422,084	1,333,618	1,262,973	1,219,507	1,121,714
Public safety	1,972,570	1,888,200	1,879,264	1,875,795	1,873,921	1,773,141	1,824,595	1,835,652	1,790,595	1,606,314
Judicial	689,975	638,115	594,522	590,082	577,333	556,908	585,778	556,056	527,618	490,861
Housing and community development	266,912	292,494	293,743	344,408	368,857	315,630	244,208	244,581	228,105	215,940
Natural resources and recreation	232,514	186,486	171,206	179,682	182,229	184,342	205,876	188,675	177,553	165,439
Agriculture	75,226	87,110	80,353	79,294	80,770	92,954	142,804	147,494	101,252	64,044
Intergovernmental	1,344,034	1,190,477	1,156,328	1,265,314	1,249,592	1,187,153	1,425,506	1,597,734	1,590,590	1,562,539

Debt service:										
Principal	810,783	744,599	673,639	645,024	598,265	560,348	536,050	497,300	473,985	485,635
Interest	440,063	434,811	414,089	399,710	390,340	366,237	349,214	315,010	298,007	280,278
Capital outlay	1,910,348	1,598,458	1,614,972	1,274,591	1,276,049	1,200,176	1,430,170	1,476,506	1,437,741	1,538,927
Total expenditures	35,482,602	33,549,167	31,504,745	30,956,033	30,371,663	29,268,837	28,511,008	27,145,272	25,463,480	23,493,305
Excess (deficiency) of revenues over expenditures	(2,484,280)	(2,677,575)	(1,713,907)	(2,255,151)	(1,576,129)	(2,136,848)	(3,130,177)	(2,198,305)	(1,598,067)	(389,038)
Other financing sources (uses):										
Capital leases	9,409	170,236	32,311	23,440	53,334	15,472	27,945	31,185	56,860	121,197
Proceeds from bond issues	1,662,385	1,445,884	1,389,203	1,375,297	1,058,166	1,477,837	1,318,718	1,071,403	831,193	904,907
Other long-term liabilities								102	2,411	5,320
Proceeds from refunding bonds	1,478,889	279,273	424,111	656,851		798,080	69,431			
Payments to escrow agents	(1,547,056)	(278,876)	(423,021)	(674,982)		(924,185)	(69,213)			
Transfers in	1,766,489	1,659,660	1,331,669	1,552,089	1,716,673	1,895,049	1,203,021	1,180,435	1,137,421	1,133,853
Transfers out	(815,658)	(775,470)	(552,643)	(958,611)	(1,189,726)	(1,280,256)	(741,827)	(702,499)	(787,865)	(676,003)
Net other sources (uses) of financial resources	2,554,458	2,500,707	2,201,630	1,974,084	1,638,447	1,981,997	1,808,075	1,580,626	1,240,020	1,489,274
Net changes in fund balance	70,178	(176,868)	487,722	(281,067)	62,318	(154,851)	(1,322,102)	(617,679)	(358,047)	1,100,236
Fund balance, beginning of the year	1,916,736	2,093,604	1,605,882	1,886,948	1,824,630	1,979,481	3,301,583	3,919,262	4,277,309	3,177,073
Fund balance, end of the year	$ 1,986,913	$ 1,916,736	$ 2,093,604	$ 1,605,881	$ 1,886,948	$ 1,824,630	$ 1,979,481	$ 3,301,583	$ 3,919,262	$ 4,277,309
Debt service as a percentage of noncapital expenditures	3.7%	3.7%	3.6%	3.6%	3.5%	3.4%	3.4%	3.3%	3.3%	3.6%

* Beginning in fiscal year 2012, revenues pledged as security for bonds were reclassified to charges for services.

STATE OF MARYLAND
Personal Income Tax Filers by Subdivision
Tax Year Ended December 31, 2014

Subdivision	Number of Filers	Adjusted Gross Income	Net Taxable Income	State Income Tax(1)	Local Income Tax	State and Local Income Tax	Local Tax Rate
Allegany	22,291	$ 1,189,858,976	$ 920,842,129	$ 41,376,972	$ 27,199,687	$ 68,576,659	3.05%
Anne Arundel	218,236	20,093,581,902	16,394,337,249	772,682,253	415,033,036	1,187,715,289	2.56
Baltimore County	331,011	27,757,203,993	22,310,073,220	1,038,492,160	616,132,677	1,654,624,837	2.83
Calvert	34,461	3,012,123,795	2,397,027,211	111,712,634	66,400,219	178,112,853	2.80
Caroline	11,236	613,750,356	458,233,548	19,461,770	12,030,657	31,492,427	3.73
Carroll	66,436	5,611,003,698	4,510,203,892	212,081,442	135,913,681	347,995,123	3.04
Cecil	35,848	2,446,071,352	1,921,940,211	70,525,783	52,627,885	123,153,668	2.80
Charles	58,089	4,649,255,338	3,575,708,082	165,625,436	106,724,300	272,349,736	3.03
Dorchester	11,254	598,683,254	451,661,240	19,514,996	11,187,100	30,702,096	2.62
Frederick	95,773	8,047,054,693	6,448,924,233	300,710,387	188,598,932	489,309,319	2.96
Garrett	10,087	574,542,393	444,994,015	19,505,851	11,464,868	30,970,719	2.65
Harford	96,687	7,770,506,768	6,201,794,555	287,445,429	187,446,376	474,891,805	3.06
Howard	119,232	14,099,813,791	11,824,512,998	567,710,882	375,386,724	943,097,606	3.20
Kent	7,096	564,746,900	442,011,688	18,332,447	12,227,592	30,560,039	2.85
Montgomery	413,501	48,591,853,475	40,868,459,662	1,920,372,577	1,283,681,651	3,204,054,228	3.20
Prince George's	354,385	21,773,979,444	15,622,567,246	705,350,579	485,894,326	1,191,244,905	3.20
Queen Anne's	18,269	1,626,106,132	1,299,718,683	59,980,232	41,134,355	101,114,587	3.20
St. Mary's	39,898	3,227,146,941	2,583,124,189	120,028,549	76,501,744	196,530,293	3.00
Somerset	6,136	296,840,873	217,802,551	22,497	6,474,655	6,497,152	3.15
Talbot	14,603	1,403,550,972	1,135,662,569	52,780,635	26,577,777	79,358,412	2.40
Washington	52,891	3,294,397,675	2,569,550,178	117,149,550	70,120,768	187,270,318	2.80
Wicomico	33,634	1,912,894,437	1,464,542,409	62,713,044	45,022,445	107,735,489	3.20
Worcester	20,851	1,365,308,664	1,072,579,791	47,357,771	13,075,365	60,433,136	1.25
Baltimore City	196,386	11,729,478,074	9,150,563,712	415,066,628	279,817,671	694,884,299	3.20
Non-resident	114,637	5,751,167,363	5,039,641,218	326,646,911		326,646,911	
	2,382,928	$ 198,000,921,259	$ 159,326,476,479	$ 7,472,647,415	$ 4,546,674,491	$ 12,019,321,906	

(1) See State personal income tax rates schedules for tax rate information.

Source: Revenue Administration Division, State Comptroller's Office

State Personal Income Tax and Sales Tax Rates
Calendar Year 2012-2015*

Filing Status, Single:		Married Filing Jointly:	
Taxable Income:	Rate:	Taxable Income:	Rate:
$3,001 - $100,000	4.75%	$3,001 - $150,000	4.75%
$100,001 - $125,000	5.00%	$150,001 - $175,000	5.00%
$125,001 - $150,000	5.25%	$175,001 - $225,000	5.25%
$150,001 - $250,000	5.50%	$225,001 - $300,000	5.50%
Over $250,000	5.75%	Over $300,000	5.75%
Sales Tax Rate: 6%			

*Rates effective January 1, 2012

State Personal Income Tax and Sales Tax Rates
Calendar Years 2008–2011*

Filing Status, Single:		Married Filing Jointly:	
Taxable Income:	Rate:	Taxable Income:	Rate:
$3,000 - $150,000	4.75%	$3,000 - $200,000	4.75%
$150,001 - $300,000	5.00%	$200,001 - $350,000	5.00%
$300,001 - $500,000	5.25%	$350,001 - $500,000	5.25%
$500,001 - $1,000,000	5.50%	$500,001 - $1,000,000	5.50%
Over $1,000,000	6.25%**	Over $1,000,000	6.25%**
Sales Tax Rate: 6%			

*Rates effective January 1, 2008
**Rates for calendar year 2011 were 5.50%

State Personal Income Tax and Sales Tax Rates
Calendar Years 2006 – 2007

Personal Income Tax Rate

Year	1st $1,000 of Net Taxable Income	2nd $1,000 of Net Taxable Income	3rd $1,000 of Net Taxable Income	In excess $3,000 of Net Taxable Income	Sales Tax Rate
2007	2%	3%	4%	4.75%	5%
2006	2%	3%	4%	4.75%	5%

Source: Revenue Administration Division, State Comptroller's Office

STATE OF MARYLAND
Personal Income Tax Filers and Liability by Income Level
Last Ten Tax Years Ended December 31st
(Dollars, except income level, Expressed in Thousands)

2014

Income Level	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
$500,000 and higher	24,432	1.02 %	$ 1,487,042	19.88 %
$100,000-$499,999	527,543	22.14	3,648,239	48.76
$70,000-$99,999	312,138	13.10	919,952	12.30
$50,000-$69,999	315,473	13.24	626,493	8.37
$25,000-$49,999	623,459	26.16	623,584	8.33
$10,000-$24,999	476,740	20.01	163,914	2.19
Under $10,000	103,143	4.33	12,749	0.17
Total	2,382,928	100.00 %	$ 7,481,973	100.00 %

2013

Income Level	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
$500,000 and higher	21,935	0.93 %	$ 1,266,568	18.07 %
$100,000-$499,999	503,837	21.46	3,434,142	48.95
$70,000-$99,999	309,903	13.20	905,699	12.91
$50,000-$69,999	312,548	13.32	615,553	8.77
$25,000-$49,999	621,710	26.49	618,113	8.81
$10,000-$24,999	477,663	20.35	162,722	2.32
Under $10,000	99,685	4.25	12,100	0.17
Total	2,347,281	100.00 %	$ 7,014,897	100.00%

2012

Income Level	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
$500,000 and higher	24,255	1.05 %	$ 1,533,202	21.59 %
$100,000-$499,999	493,577	21.44	3,281,446	46.21
$70,000-$99,999	307,641	13.36	884,705	12.46
$50,000-$69,999	311,773	13.54	605,169	8.52
$25,000-$49,999	615,541	26.74	608,132	8.56
$10,000-$24,999	470,011	20.43	175,568	2.47
Under $10,000	79,274	3.44	13,671	0.19
Total	2,302,072	100.00 %	$ 7,101,893	100.00 %

2011

Income Level	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
$500,000 and higher	20,027	0.90 %	$ 1,074,619	17.05 %
$100,000-$499,999	475,139	21.15	3,020,394	47.91
$70,000-$99,999	301,920	13.44	854,629	13.56
$50,000-$69,999	309,545	13.78	591,156	9.38
$25,000-$49,999	609,707	27.15	599,435	9.51
$10,000-$24,999	461,729	20.57	152,585	2.42
Under $10,000	68,009	3.03	11,115	0.18
Total	2,246,076	100.00 %	$ 6,303,934	100.00 %

2010

Income Level	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
$500,000 and higher	19,031	0.87 %	$ 1,103,398	18.00 %
$100,000-$499,999	460,144	20.77	2,872,843	46.86
$70,000-$99,999	297,568	13.43	829,513	13.53
$50,000-$69,999	306,283	13.82	577,222	9.42
$25,000-$49,999	605,480	27.33	590,450	9.63
$10,000-$24,999	454,672	20.53	149,735	2.44
Under $10,000	72,525	3.27	7,087	0.12
Total	2,215,703	100.00 %	$ 6,130,248	100.00 %

2009

Income Level	Number of Filers	Percentage of Total	Income Tax Liability	Percentage of Total
$500,000 and higher	16,589	0.77 %	$ 901,111	15.76 %
$100,000-$499,999	440,514	20.33	2,700,374	47.24
$70,000-$99,999	294,317	13.58	810,590	14.18
$50,000-$69,999	305,438	14.09	567,707	9.93
$25,000-$49,999	601,213	27.74	585,150	10.24
$10,000-$24,999	440,498	20.33	144,875	2.53
Under $10,000	68,464	3.16	6,709	0.12
Total	2,167,033	100.00 %	$ 5,716,516	100.00 %

STATE OF MARYLAND
Personal Income Tax Filers and Liability by Income Level
Last Ten Tax Years Ended December 31st

(Dollars, except income level, Expressed in Thousands)
(continued)

Income Level	2008 Number of Filers	2008 Percentage of Total	2008 Income Tax Liability	2008 Percentage of Total	2007 Number of Filers	2007 Percentage of Total	2007 Income Tax Liability	2007 Percentage of Total
$500,000 and higher	18,490	0.84 %	$ 1,203,268	19.89 %	22,546	0.98 %	$ 1,343,286	21.49 %
$100,000-$499,999	436,125	19.76	2,680,009	44.29	422,874	18.43	2,619,517	41.92
$70,000-$99,999	299,054	13.55	817,229	13.51	299,022	13.04	839,000	13.43
$50,000-$69,999	309,460	14.02	569,793	9.42	310,886	13.55	591,121	9.46
$25,000-$49,999	619,265	28.05	619,216	10.23	636,783	27.76	669,599	10.71
$10,000-$24,999	445,300	20.17	152,357	2.52	482,515	21.03	174,561	2.79
Under $10,000	79,781	3.61	8,570	0.14	119,277	5.20	12,218	0.20
Total	2,207,475	100.00 %	$ 6,050,442	100.00 %	2,293,903	100.00 %	$ 6,249,302	100.00 %

Income Level	2006 Number of Filers	2006 Percentage of Total	2006 Income Tax Liability	2006 Percentage of Total	2005 Number of Filers	2005 Percentage of Total	2005 Income Tax Liability	2005 Percentage of Total
$500,000 and higher	20,188	0.89 %	$ 1,187,583	20.42 %	18,394	0.82 %	$ 1,064,405	19.41 %
$100,000-$499,999	386,236	17.07	2,379,534	40.91	354,202	15.84	2,185,588	39.85
$75,000-$99,999	290,471	12.83	818,732	14.08	282,940	12.66	804,574	14.67
$50,000-$74,999	303,484	13.41	577,995	9.94	298,942	13.37	573,615	10.46
$25,000-$49,999	637,570	28.17	666,375	11.46	636,912	28.49	667,108	12.16
$10,000-$24,999	501,656	22.16	172,923	2.97	511,948	22.90	174,268	3.18
Under $10,000	123,697	5.47	13,275	0.23	132,317	5.92	14,411	0.26
Total	2,263,302	100.00 %	$ 5,816,417	100.00 %	2,235,655	100.00 %	$ 5,483,969	100.00 %

Source: Revenue Administration Division, Comptroller's Office

STATE OF MARYLAND
Sales and Use Tax Receipts by Principal Type of Business
Last Ten Fiscal Years
(Expressed in Thousands)

Year	Food and Beverage*	Apparel	General Merchandise	Automotive	Furniture & Appliances	Building & Industrial Supplies	Utilities & Transportation	Hardware, Machinery & Equipment	Miscellaneous	Assessment Collections	Total Collections
2015……	$ 1,090,515	$ 208,036	$ 811,774	$ 284,110	$ 299,874	$ 563,869	$ 378,578	$ 110,016	$ 652,615	$ 10,508	$ 4,409,895
2014……	1,034,463	199,133	751,972	274,024	295,710	530,891	383,069	103,416	614,776	8,542	4,195,996
2013……	1,011,944	197,086	754,822	266,675	315,902	501,287	354,509	98,914	605,375	7,783	4,114,297
2012……	1,013,589	193,049	736,119	268,506	330,226	485,588	349,284	100,832	582,760	16,627	4,076,580
2011……	891,267	187,014	716,226	259,052	343,897	467,156	367,543	94,654	559,420	10,470	3,896,699
2010……	864,941	189,057	705,121	239,813	347,243	445,706	370,435	92,241	484,910	14,310	3,753,777
2009……	851,038	188,931	705,193	252,973	362,374	483,384	404,219	97,355	489,672	16,153	3,851,292
2008……	776,466	181,302	672,024	249,506	387,590	517,452	356,747	100,922	481,478	25,435	3,748,922
2007……	689,279	167,918	612,937	234,898	380,999	504,516	316,600	91,628	432,831	16,233	3,447,839
2006……	664,654	158,839	601,431	230,753	380,642	530,214	284,661	88,754	418,491	23,257	3,381,696

Source: Revenue Administration Division, Comptroller's Office

*The 2011 Session of the Maryland General Assembly approved legislation increasing the sales tax on alcoholic beverages from 6% to 9% effective fiscal year 2012.

STATE OF MARYLAND
Schedule of Ratio of Outstanding Debt by Type
Last Ten Years
(Dollars Expressed in Thousands except Per Capita)

	General Bonded Debt		Other Governmental Activities Debt				Debt Ratios, Governmental Activities		Business-Type Activities Debt				Debt Ratios, Primary Government	
Fiscal Year	General Obligation Bonds	Transportation Bonds	Capital Leases	Transportation Debt/Other Liabilities(2)	Capital Leases with Component Units	Total Governmental Activities Debt	Percentage of Personal Income(1)	Per Capita (1)	Revenue Bonds	Capital Leases	Total Business-Type Activities Debt	Total Primary Government Debt	Percentage of Personal Income(1)	Per Capita(1)
2015	$ 8,677,214	$ 2,020,250	$ 929,679		$ 140,559	$ 11,767,702	3.57 %	$ 1,969	$ 5,721,363	$ 60,715	$ 5,782,078	$ 17,549,780	5.33 %	$2,937
2014	8,362,347	1,812,670	915,393		163,574	11,253,984	3.50	1,898	5,939,721	17,480	5,957,201	17,211,185	5.35	2,903
2013	8,005,802	1,618,290	766,393		186,706	10,577,191	3.34	1,797	6,220,872	31,024	6,251,896	16,829,087	5.31	2,860
2012	7,541,102	1,562,630	755,653		210,676	10,070,061	3.41	1,728	6,377,228	56,212	6,433,440	16,503,501	5.59	2,832
2011	6,982,846	1,561,840	755,778		214,590	9,515,054	3.35	1,645	6,504,780	44,886	6,549,666	16,064,720	5.66	2,776
2010	6,523,222	1,645,010	798,201		232,762	9,199,195	3.31	1,614	6,161,633	5,261	6,166,894	15,366,089	5.53	2,696
2009	5,873,643	1,582,605	848,208		250,407	8,554,863	3.14	1,519	5,422,501	5,748	5,428,249	13,983,112	5.13	2,482
2008	5,493,830	1,268,815	515,134	$ 373,319	265,767	7,916,865	3.02	1,409	5,041,339	648	5,041,987	12,958,852	4.94	2,307
2007	5,142,154	1,111,050	535,482	391,029	278,265	7,457,980	3.03	1,331	4,140,383	1,124	4,141,507	11,599,487	4.70	2,071
2006	4,868,472	1,079,340	519,592	404,320	293,140	7,164,864	3.08	1,286	2,882,855	1,256	2,884,111	10,048,975	4.31	1,803

Source: General Accounting Division, State Comptroller's Office

(1) Population and personal income data can be found in the Schedule of Demographics Statistics.

(2) Transportation debt/other liabilities was reclassified as capital leases beginning in fiscal year 2009.

STATE OF MARYLAND
Ratio of General Bonded Debt
To Actual Value and General Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	*(Expressed in Thousands)* Estimated Population (1)	Estimated Property Value	General Bonded Debt (2)	Ratio of General Bonded Debt to Actual Property Value	General Bonded Debt per Capita
2015	5,976	$ 664,447,412	$ 8,677,214	1.31 %	$ 1,452
2014	5,929	647,265,360	8,362,347	1.29	1,410
2013	5,885	641,751,347	8,005,802	1.25	1,360
2012	5,828	653,376,073	7,541,102	1.15	1,294
2011	5,786	689,329,692	6,982,846	1.01	1,207
2010	5,699	731,809,178	6,523,222	0.89	1,145
2009	5,634	707,573,095	5,873,643	0.83	1,043
2008	5,618	633,453,169	5,493,830	0.87	978
2007	5,602	527,012,375	5,142,154	0.98	918
2006	5,573	452,249,831	4,868,472	1.08	874

Source: The Sixty-Second through Seventy-First Report of the State Department of Assessments and Taxation and the State Comptroller's Office

(1) See Schedule of Demographic Statistics.

(2) Includes general obligation bonds. The primary revenue source to pay the debt service for general obligation bonds is property taxes.

STATE OF MARYLAND
Legal Debt Margin Information
Last Ten Fiscal Years
(Expressed in Thousands)

Legal Debt Margin Calculation for Fiscal Year 2015

Debt Limit (1)……	$ 14,493,789
Debt applicable to limit:……	
General obligation bonds……..	8,677,214
Transportation bonds……...	2,020,250
Nontraditional Transportation debt (2)….	748,328
Less amounts set aside for replacement of:	
General obligation debt……	216,916
Transportation debt……	69,487
Total net debt applicable to limit……..	11,159,389
Legal debt margin …….	$ 3,334,400

	Year ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt limit……	$ 14,493,789	$ 13,918,130	$ 13,169,535	$ 12,388,337	$ 11,790,027	$ 11,410,017	$ 9,822,844	$ 9,780,943	$ 9,064,691	$ 8,730,531
Total net debt applicable to limit…..…	11,159,389	10,615,974	10,033,126	9,438,132	8,948,851	8,658,167	8,015,376	7,400,792	6,924,327	6,572,782
Legal debt margin……	$ 3,334,400	$ 3,302,156	$ 3,136,409	$ 2,950,205	$ 2,841,176	$ 2,751,850	$ 1,807,468	$ 2,380,151	$ 2,140,364	$ 2,157,749
Total net debt applicable to limit as a percentage of debt limit……..…	76.99%	76.27%	76.18%	76.19%	75.90%	75.88%	81.60%	75.67%	76.39%	75.29%

Source: General Accounting Division, State Comptroller's Office

(1) For general obligation bonds, the debt limit is based on separate enabling acts for particular objects or purposes that are enacted during each legislative session. There is no separately mandated maximum amount for the issuance of general obligation bonds. For transportation bonds, the General Assembly each year establishes a maximum aggregate outstanding amount that does not exceed $2,000,000,000 up to June 30, 2007, $2,600,000,000 through June 30, 2009, and $4,500,000,000 thereafter.

(2) The 2014 session of the General Assembly established a maximum outstanding principal amount of $726,600,000 as of June 30, 2015, for all nontraditional debt of the Department. Nontraditional debt outstanding is defined as any debt instrument that is not a Consolidated Transportation Bond or GARVEE bond. This debt includes certificates of participation, debt backed by customer facility charges, passenger facility charges, or other revenues, and debt issued by the Maryland Economic Development Corporation or any other third party on behalf of the Department.

Schedule of Taxes Pledged to Consolidated Transportation Bonds and Net Revenues as Defined for Purposes of Consolidated Transportation Bonds Coverage Tests
Last Ten Fiscal Years

(Expressed in Thousands)

	Year ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Taxes and fees:										
Taxes pledged to bonds (2)(3)(5)(6).....	$ 1,749,800	$ 1,590,767	$ 1,382,135	$ 1,277,770	$ 1,300,022	$ 1,244,280	$ 1,234,750	$ 1,139,321	$ 1,196,568	$ 1,221,720
Other taxes and fees (4).....	603,700	586,514	572,894	475,561	439,657	415,409	418,734	404,082	410,614	391,618
Total taxes and fees.....	2,353,500	2,177,281	1,955,029	1,753,331	1,739,679	1,659,689	1,653,484	1,543,403	1,607,182	1,613,338
Operating Revenues.....	414,290	409,952	407,187	402,056	390,547	388,587	392,772	395,003	369,241	340,742
Investment income	47,307	29,139	30,785	40,015	60,458	394	3,996	3,683	10,574	8,211
Other (1).....	2,090	2,154	758	2,750	1,004	(3,600)	(3,666)	4	39,836	87,640
Total revenues.....	2,817,187	2,618,526	2,393,759	2,198,152	2,191,688	2,045,070	2,046,586	1,942,093	2,026,833	2,049,931
Administration, operation and maintenance expenditures.....	1,859,524	1,842,785	1,638,407	1,572,181	1,547,339	1,582,578	1,526,965	1,488,310	1,396,872	1,302,582
Less: Federal funds.....	(89,843)	(90,567)	(72,397)	(92,737)	(90,733)	(90,761)	(93,729)	(79,228)	(72,598)	(70,828)
Total.....	1,769,681	1,752,218	1,566,010	1,479,444	1,456,606	1,491,817	1,433,236	1,409,082	1,324,274	1,231,754
Net revenues.....	$ 1,047,506	$ 866,308	$ 827,749	$ 718,708	$ 735,082	$ 553,253	$ 613,350	$ 533,011	$ 702,559	$ 818,177
Maximum annual principal and interest requirements.....	$ 292,327	$ 270,527	$ 237,394	$ 219,765	$ 210,714	$ 210,714	$ 197,281	$ 153,661	$ 129,550	$ 121,412
Ratio of net revenues to maximum annual principal and interest requirements.....	3.58	3.20	3.49	3.27	3.49	2.63	3.11	3.47	5.42	6.74
Ratio of taxes pledged to bonds to maximum annual principal and interest requirements....	5.99	5.88	5.82	5.81	6.17	5.91	6.26	7.41	9.24	10.06

Source: The Maryland Department of Transportation, The Secretary's Office, Office of Finance.

(1) 2007 was the last year for the transfer of $43,000,000 from Maryland Transportation Authority to the Transportation Trust Fund.
(2) The State's sales tax and the Vehicle Excise Tax (Titling tax) was increased from 5% to 6%, effective January 1, 2008. In addition, effective July 1, 2008, the percentage of titling tax retained by the Department was increased incrementally to fiscal year 2014 from 76% to 93.6%.
(3) The Department was allocated 6.5% of the State's sales tax effective July 1, 2008. The distribution was reduced to 5.3% in fiscal years 2010 and 2011 and ended July 1, 2011.
(4) The Transportation Trust Fund transferred $40,000,000 of the Department's share of Highway User Revenues to the Revenue Stabilization Account in fiscal year 2012.
(5) The allocation of the corporate income tax to the Department was changed from 24% to 17.2% in fiscal year 2012, 9.5% in fiscal year 2013, and 19.5% through fiscal year 2016.
(6) The motor fuel tax rate was increased based on growth of the Consumer Price Index and applies a sales and use tax equivalent to the price of motor fuel beginning in fiscal year 2014.

STATE OF MARYLAND
Ratio of Pledged Assets to
Revenue Bonds, Community Development Administration
Last Ten Fiscal Years
(Expressed in Thousands)

	Pledged Assets (1)	Revenue Bonds Payable	Ratio of Pledged Assets to Revenue Bonds
2015	$ 2,847,756	$ 2,307,890	1.23
2014	3,015,137	2,507,082	1.20
2013	3,311,864	2,766,326	1.20
2012	3,542,214	2,926,149	1.21
2011	3,627,287	3,047,472	1.19
2010	3,717,989	3,136,883	1.19
2009	3,517,631	2,983,490	1.18
2008	3,489,271	2,971,219	1.17
2007	3,497,373	3,016,848	1.16
2006	2,476,342	2,040,485	1.21

(1) Bonds and notes issued by the Community Development Administration (CDA) are special obligations of CDA and are payable solely from the revenues of the applicable mortgage loan programs. Assets, principally mortgage loans, and program revenues are pledged as collateral for the revenue bonds.

STATE OF MARYLAND
Schedule of Demographic Statistics
Last Ten Years

	Population (1)	Total Personal Income (2) (Expressed in Thousands)	Per Capita Personal Income	School Enrollment (3)	Unemployment Rate (4)
2015	5,976,407	$ 329,559,646	$ 55,143	1,001,193	5.2 %
2014	5,928,814	321,688,894	54,259	994,380	6.0
2013	5,884,563	316,681,620	53,816	992,828	6.8
2012	5,828,289	295,235,516	50,656	961,486	6.8
2011	5,785,982	283,919,505	49,070	993,996	7.2
2010	5,699,478	278,026,000	48,781	984,134	7.4
2009	5,633,597	272,542,169	48,378	975,861	5.9
2008	5,618,899	264,367,477	47,050	1,024,803	3.7
2007	5,602,258	252,780,827	45,121	1,036,523	3.9
2006	5,575,552	237,522,127	42,601	1,050,627	3.8

Sources:

(1) U.S. Census Bureau, "Intercensal Estimates of the Resident Population for States", April 1, 2010 - July 1, 2014, revised December, 2014. Estimates for the calendar year except that the current year amount is a projected estimate for the year.

(2) U.S. Department of Commerce, Bureau of Economic Analysis. Data for all years based on revised statistics of state personal income released on May 25, 2015. All estimates of state personal income are subject to BEA's flexible annual revision schedule.

(3) Figures are for the calendar year. State Department of Education, grades pre-kindergarten thru grade 12. Includes public and nonpublic schools. 2015 data for nonpublic schools is incomplete.

(4) Figures are for the fiscal year. State Department of Labor, Licensing and Regulation.

STATE OF MARYLAND
Schedule of Employment by Sector
Prior Year and Nine Years Prior

	Calendar Year 2014 (1)			Calendar Year 2005 (2)		
	Average Annual Employment	Total Wages (Expressed in Thousands)	Average Weekly Wage Per Worker	Average Annual Employment	Total Wages (Expressed in Thousands)	Average Weekly Wage Per Worker
Government:						
State and local	342,997	$ 18,138,265	$ 1,017	322,890	$ 13,759,044	$ 819
Federal	142,992	13,515,277	1,818	125,737	9,396,410	1,437
Total government	485,989	31,653,542	1,253	448,627	23,155,454	993
Manufacturing	103,562	7,282,258	1,352	140,666	7,685,705	1,051
Natural resources and mining	6,435	249,921	747	6,891	229,491	640
Construction	149,622	8,708,345	1,119	182,878	8,395,612	883
Trade, transportation, and utilities	449,318	19,121,540	818	466,162	16,874,386	696
Information services	38,801	3,226,272	1,599	50,368	3,122,709	1,192
Financial activities	137,176	11,421,955	1,601	158,234	10,162,026	1,235
Professional and business services	424,517	30,731,146	1,392	383,250	20,524,156	1,030
Education and health services	408,350	20,342,180	958	340,182	13,759,870	778
Leisure and hospitality	260,379	5,383,992	398	229,246	4,196,245	352
Unclassified and other services	89,184	3,457,090	745	90,912	2,700,612	571
Total of all sectors	2,553,333	$ 141,578,241	$ 1,066	2,497,416	$ 110,806,266	$ 853

(1) Source: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information Publications "Employment and Payroll 2014 Annual Averages" issued June, 2015. This report reflects the new North American Industry Classification System (NAICS) coding revisions.

(2) Source: DLLR Website - http://dllr.maryland.gov/lmi/emppay/md2005ep.shtml

STATE OF MARYLAND
Maryland's Ten Largest Private Employers*

Calendar Years

Employer (Listed Alphabetically)

2015	2014, 2013, 2012 and 2011	2010 and 2009
BAE Systems Inc.	Giant Food LLC	Adventist Healthcare
Exelon Corporation	Helix Health System Inc.	Giant Food LLC
Giant Food LLC	Home Depot Inc.	Helix Health Systems Inc.
H & R Block Inc.	Johns Hopkins Hospital	Johns Hopkins Hospital
Johns Hopkins University	Johns Hopkins University	Johns Hopkins University
Lockheed Martin Corporation	Northrop Grumman Corporation	Northrop Grumman Corporation
McDonald's Corporation	Safeway Inc.	Safeway Inc.
Northrop Grumman Corporation	Target	Target
Safeway Inc.	University of Maryland Medical System	University of Maryland Medical System
Walmart	Walmart	Walmart

2008	2007	2006
Giant Food LLC	Giant Food LLC	Giant Food LLC
Helix Health System Inc.	Helix Health System Inc.	Helix Health System Inc.
Home Depot Inc.	Home Depot Inc.	Home Depot Inc.
Johns Hopkins Hospital	Johns Hopkins Hospital	Johns Hopkins Hospital
Johns Hopkins University	Johns Hopkins University	Johns Hopkins University
Northrop Grumman Corporation	Macy's	Northrop Grumman Corporation
Safeway Inc.	Northrop Grumman Corporation	Safeway Inc.
University of Maryland Medical System	Safeway Inc.	Target
United Parcel Service	United Parcel Service	United Parcel Service
Walmart	Walmart	Walmart

Source: Department of Labor, Licensing and Regulation; Office of Labor Market Analysis and Information – Major Employer List – March 2015

*Information such as the number of employees or the employers' percentage of total employment is not available for discl

STATE OF MARYLAND
State Employees by Function/Program
Last Ten Fiscal Years

	Year ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
State Employees:										
Governmental activities:										
General government	5,464	5,922	5,396	5,487	5,479	5,695	5,813	5,770	5,712	5,656
Health and mental hygiene	9,629	10,416	9,743	9,929	9,459	10,103	10,880	11,441	11,661	11,668
Education	2,207	2,509	2,253	2,227	2,162	2,250	2,450	2,445	2,504	2,425
Human resources	6,122	6,232	6,149	6,268	6,327	6,456	6,503	6,605	6,713	6,767
Public safety	14,963	15,449	15,443	15,625	15,547	15,759	16,311	15,791	15,603	15,307
Transportation	6,130	6,082	6,095	6,201	6,137	6,405	6,638	6,572	6,518	6,523
Judicial	6,024	6,158	5,937	5,905	5,935	5,854	6,109	5,982	5,851	5,744
Labor, licensing and regulation	1,633	1,971	1,793	1,906	1,962	1,879	1,662	1,644	1,682	1,647
Natural resources and recreation	2,001	2,349	2,049	2,100	2,135	2,111	2,104	2,070	2,008	1,970
Housing and community development	194	210	386	385	268	274	246	209	228	256
Environment	901	915	931	927	958	1,000	960	913	926	922
Agriculture	424	472	446	436	450	482	482	511	481	499
Business and economic development	154	164	169	170	167	163	228	275	295	340
Total governmental activities employees	55,846	58,849	56,790	57,566	56,986	58,431	60,386	60,228	60,182	59,724
Business-type activities:										
Economic development - insurance programs	267	287	265	268	266	262	237	208	201	210
Maryland Lottery and Gaming Control Agency	298	269	248	215	200	181	189	183	185	183
Maryland Transportation Authority	1,666	1,683	1,644	1,681	1,650	1,660	1,652	1,652	1,594	1,502
Maryland Correctional Enterprises	177	190	183	194	184	200	204	201	184	187
Total business-type employees	2,408	2,429	2,340	2,358	2,300	2,303	2,282	2,244	2,164	2,082
Total primary government employees	58,254	61,278	59,130	59,924	59,286	60,734	62,668	62,472	62,346	61,806
Component Units:										
Higher Education	44,875	45,332	41,676	39,005	39,259	39,411	38,985	37,988	36,132	34,882
Prepaid College Trust*	15	18	17	14	15	17	16	16	16	
Stadium Authority	133	129	123	112	112	108	117	108	120	98
Other component units	27	27	27	29	29	28	24	24	27	42
Total component units employees	45,050	45,506	41,843	39,160	39,415	39,564	39,142	38,136	36,295	35,022

Source: Central Payroll Bureau, State Comptroller's Office

*Information for prior years is included in the total for "Other Component Units".

STATE OF MARYLAND
Schedule of Miscellaneous, Operating and Capital Asset Statistics by Function
Last Ten Fiscal Years

Date of Ratification…….	1788
Form of Government……..	Legislative - Executive - Judicial
Land Area……	9844 square miles

Function/Program	2015(1)	2014	2013	2012	2011	2010	2009	2008	2007	2006
Education, Public School Enrollment…….	874,514	827,999	823,452	821,106	817,610	814,609	815,742	823,732	827,596	829,007
Health and Human Resources:										
Medicaid Enrollment……..	1,149,733	1,079,849	841,812	810,593	764,500	676,187	569,964	532,082	520,436	629,500
Children's Health Program Enrollment…….	114,901	114,648	111,132	103,011	98,000	97,998	105,617	108,504	105,999	103,260
WIC Food Program Recipients…….	140,600	140,830	144,923	146,787	155,000	148,670	144,072	132,483	121,471	113,100
Behavioral Health Clients……..	185,181	184,104	167,680	159,124	152,953	122,046	111,678	99,382	93,933	92,715
Public Assistance Caseload (AFDC/TANF)…….	61,739	64,359	67,436	72,413	67,422	67,422	58,426	51,554	50,149	57,589
Foster Care and Subsidized Adoption Average Caseload….	13,477	15,090	15,386	14,230	15,297	15,093	14,235	14,839	13,806	13,956
Public Safety:										
Correctional Institutions Average Daily Population……	23,951	24,237	24,686	25,450	21,159	20,891	22,778	22,943	21,680	26,475
Parole and Probation, Active Cases under Supervision…..	50,968	49,734	52,187	50,982	55,200	54,939	54,484	48,600	52,147	49,244
Youth Residential Programs, Average Daily Population….	998	1,209	1,201	1,304	1,468	1,406	1,519	1,625	1,646	1,728
Average Monthly number of Youths on Probation……..	2,590	2,630	2,983	3,375	5,015	5,015	6,760	6,610	6,247	6,568
Public Safety (State Police):										
Number of Police Stations……	26	26	25	25	25	25	26	26	26	26
Number of State Police……	1,443	1,570	1,562	1,563	1,565	1,565	1,567	1,590	1,591	1,591
Motor Vehicle citations (calendar year)……..	363,134	370,767	384,500	336,094	348,459	381,915	390,100	446,505	430,284	462,252
Motor Vehicle - Number of Collisions (calendar year)……...	98,400	96,200	88,700	89,285	102,000	90,517	98,352	100,700	100,707	101,785
Judicial, Total Filings……..	NA	1,987	2,050,561	2,056,603	2,105,728	2,155,864	2,208,268	2,363,183	2,383,668	2,410,038
Transportation:										
Miles of State Highway……	5,271	5,273	5,264	5,266	5,254	5,244	5,240	5,242	5,241	5,235
Lane Miles Maintained…….	17,117	17,063	17,050	17,042	16,988	16,961	16,895	16,857	16,787	16,731
Expenditures per Lane Mile…….	$ 8,430	$ 8,261	$ 8,655	$ 8,618	$ 8,171	$ 7,572	$ 8,913	$ 8,764	$ 8,990	$ 7,812
Number of Bridges(2)…….	1,499	1,496	1,434	1,182	1,183	1,180	1,180	1,176	1,155	1,155
Motor Vehicle Registrations……	4.9 million	4.9 million	4.8 million	4.9 million	5.0 million	4.8 million	4.6 million	4.8 million	5.0 million	5.1 million
BWI Airport Passengers (calendar year)…….	22.8 million	22.7 million	22.2 million	22.8 million	22.5 million	21.7 million	19.6 million	20.4 million	20.8 million	19.7 million
Acres Agricultural Land Preserved - all programs…….	609,661	587,757	574,838	572,680	563,482	554,285	534,906	482,236	482,236	459,871
Department of Housing and Community Development:										
Active Single Family/Multifamily Bond Financed Loans(4)….	13,734	14,919	15,426	16,796	16,456	16,405	16,906	16,648	14,250	12,213

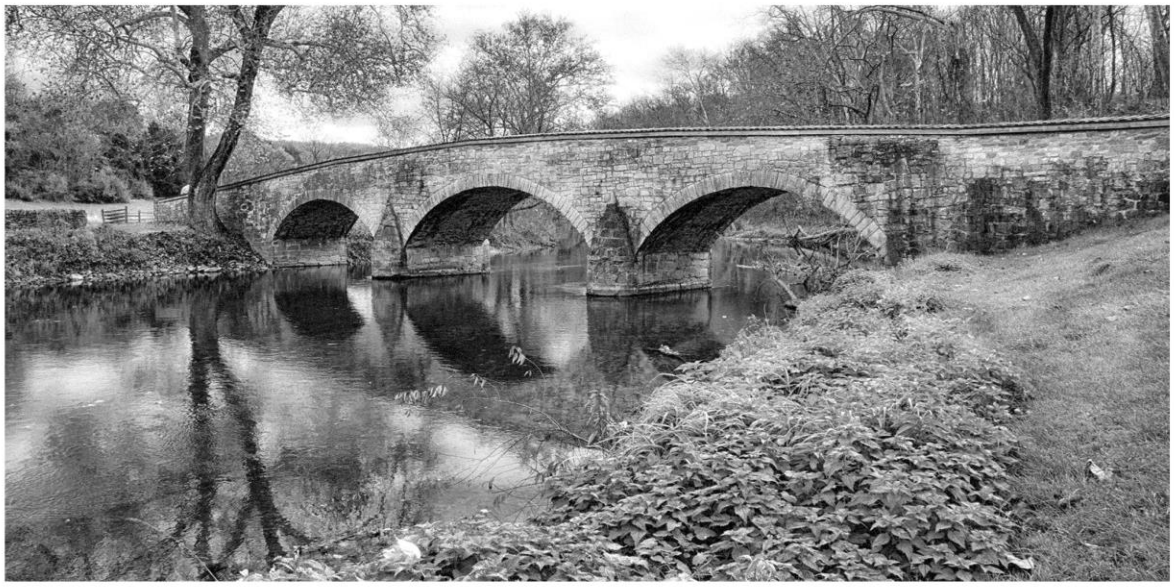
Department of Business and Economic Development:										
Number of businesses assisted(3)……	7	9	9	13	17	24	50	428	1,600	1,600
Number of workers trained(3) ……..	142	161	79	262	637	547	1,007	2,710	7,417	12,425
Higher Education (Universities, Colleges and Community Colleges):										
Number of Campuses in State……	29	29	29	29	29	29	29	29	29	29
Number of Educators(5)…….	8,391	8,298	8,271	9,892	9,671	9,421	9,190	9,224	9,021	8,711
Number of Students……..	288,720	296,805	302,115	298,273	286,106	280,196	269,287	263,636	255,969	256,580
Number of State Scholarships Awarded(6)……	40,061	43,318	45,212	40,485	65,544	52,965	58,935	58,552	56,495	52,576
Recreation:										
Number of State Parks and Forests…….	60	66	66	66	65	65	64	61	58	60
State Parks Daily Visitors……	11.3 million	10.3 million	11.2 million	11.8 million	10.5 million	10.1 million	10.7million	11.3 million	11.3 million	11.1 million
Area of State Parks, Acres……..	95,196	97,414	96,130	95,199	95,196	94,729	94,520	93,972	93,683	93,661
Area of State Forests, Acres……	145,761	145,200	143,430	142,979	142,058	141,789	141,434	140,433	138,587	136,093

Sources: State Comptroller's Office, General Accounting Division, Central Payroll Bureau, www.mdarchives.state.md.us/msa/mdmanual, Maryland Budget, Department of Budget and Management, Department of Natural Resources, and the State Highway Administration of Maryland.

(1) These amounts are estimates.
(2) Maryland's portion of the National Highway System was recently expanded beginning in 2013 due to Federal Highway Legislation.
(3) Restructuring of training programs in 2009 has led to reduced funding for the Partnership for Workforce Quality Program (PWQ).
(4) CDA relies completely on the reporting of two different Master Servicers on the underlying loans that comprise the Mortgage-backed securities held by CDA at fiscal year end.
(5) Large reduction of faculty count is due to exclusion of faculty at Clinical Medicine at UMB, faculty at extension services, and continuing education faculty beginning in 2013.
(6) Legislative scholarships are not included due to a change in awarding practices begun in FY 2012.

FINANCIAL SCHEDULES REQUIRED BY LAW

These schedules are required to be submitted by the Comptroler by Title 2, Section 102 of the State Finance and Procurement Article of the Annotated Code of Maryland



BURNSIDE BRIDGE

ANTIETAM NATIONAL BATTLEFIELD

STATE OF MARYLAND
Schedule of Estimated and Actual Revenues By Source, Budgetary Basis, for the Year Ended June 30, 2015
(Expressed in Thousands)

	Annual Budgeted Funds											
							Higher Education Funds					
							Current Unrestricted Fund		Current Restricted Fund		Capital Projects Fund	Total
	General Fund		Special Fund		Federal Fund							
	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Actual Revenues	Actual Revenues
Taxes:												
Property tax	$ 144,189	$ 146,495	$ 770,812	$ 902,132								$ 1,048,627
Franchise and corporation tax	143,662	136,022										136,022
Death taxes	239,366	243,418										243,418
Admission and amusement tax	8,249	8,243	5,902	5,660								13,903
Alcohol beverages tax	31,323	30,956										30,956
Motor vehicle fuel taxes	5,000	5,000	916,801	918,483								923,483
Income taxes	8,935,977	9,123,466	250,753	228,515								9,351,981
Sales and use taxes	4,334,793	4,350,726	52,767	59,170								4,409,896
Tobacco taxes	396,544	391,452										391,452
Motor vehicle titling taxes			775,000	795,510								795,510
Insurance company taxes	312,863	329,028	161,755	115,647								444,675
Horse racing taxes			2,711	1,138								1,138
Shellfish taxes				494								494
Boxing, wrestling or sparring taxes		494	9									494
Boat titling tax			7,419	16,874								16,874
Energy generation tax			45,675	47,889								47,889
Emergency telephone system tax			64,514	58,751								58,751
Total taxes	14,551,966	14,765,300	3,054,118	3,150,263								17,915,563
Other:												
Licenses and permits	63,509	46,973	596,873	628,760								675,733
Fees for services	151,631	140,436	1,009,205	956,276								1,096,712
Fines and costs	151,804	156,144	234,466	209,025								365,169
Sales to the public	18,099	13,370	634,909	92,730								106,100
Commissions and royalties	139	5	89,279	61,987								61,992
Rentals	200	2,340	87,812	108,310								110,650
Interest on investments	20,361	19,659	1,275	12,925		$ 714						33,298
Interest on loan repayments			6,000	1,351								1,351
Miscellaneous	132,984	222,188	130,191	192,650								414,838
Colleges and universities							$ 2,777,455	$ 2,732,675	$ 1,310,642	$ 1,221,099		3,953,774
Federal reimbursements and grants					$ 12,098,477	11,030,400						11,030,400
Other reimbursements	86,317	78,638	1,239,695	1,093,849								1,172,487
Bond issues:												
State - general purpose											$ 1,041,386	1,041,386
Consolidated transportation bonds			740,000	401,535								401,535
Premiums			150,432	200,483								200,483
State reimbursements	507,801	389,515	164,421	186,429								575,944
Appropriated from other funds							1,356,566	1,356,566				1,356,566
Trust funds			8,538	695								695
Revolving accounts	7,080	11,522	6,955	7,968								19,490
Total revenues	$ 15,691,891	$ 15,846,090	$ 8,154,169	$ 7,305,236	$ 12,098,477	$ 11,031,114	$ 4,134,021	$ 4,089,241	$ 1,310,642	$ 1,221,099	$ 1,041,386	$ 40,534,166

STATE OF MARYLAND

Schedule of Budget and Actual Expenditures and Encumbrances By Major Function, Budgetary Basis

For the Year Ended June 30, 2015

(Expressed in Thousands)

	Annual Budgeted Funds											
							Higher Education Funds					
	General Fund		Special Fund		Federal Fund		Current Unrestricted Fund		Current Restricted Fund		Capital Projects Fund	Total
Expenditures and Encumbrances by Major Function*	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Actual	Actual
Payments of revenue to civil divisions of the State	$ 155,467	$ 155,397										$ 155,397
Public debt			$ 887,932	$ 875,608	$ 11,490	$ 11,483						887,091
Legislative	82,328	82,328										82,328
Judicial review and legal	545,726	541,469	144,877	127,237	6,099	4,504						673,210
Executive and administrative control	246,705	245,156	312,513	228,454	271,500	242,269						715,879
Financial and revenue administration	267,314	255,999	125,800	123,222								379,221
Budget and management	56,069	54,129	33,520	21,342	5,398	582						76,053
Retirement and pension			19,828	19,370								19,370
General services	61,107	61,007	3,102	2,828	1,189	1,189						65,024
Transportation and highways			3,563,163	3,487,823	929,714	831,688						4,319,511
Natural resources and recreation	72,993	72,868	139,061	130,741	36,849	31,460						235,069
Agriculture	26,986	26,676	44,073	30,609	4,421	3,819						61,104
Health, hospitals and mental hygiene	4,096,299	4,078,389	1,385,272	1,363,057	7,139,863	6,522,826						11,964,272
Human resources	620,413	620,343	125,184	90,047	1,995,560	1,835,617						2,546,007
Labor, licensing and regulation	44,441	44,360	140,617	119,545	194,100	163,994						327,899
Public safety and correctional services	1,174,320	1,162,630	142,839	129,226	27,856	26,902						1,318,758
Public education	7,733,540	7,729,917	519,109	508,234	1,107,340	1,055,016	$ 4,134,021	$ 4,042,432	$ 1,310,642	$ 1,220,890		14,556,489
Housing and community development	10,061	10,061	110,489	97,050	263,286	253,199						360,310
Business and economic development	90,664	90,551	88,033	84,570	10,171	9,958						185,079
Environment	33,235	33,212	267,790	257,819	76,527	75,018						366,049
Juvenile services	276,957	274,769	4,966	3,658	7,892	7,889						286,316
State police	245,228	245,219	96,001	94,743	9,222	7,333						347,295
State reserve fund	14,785	14,785										14,785
Loan accounts	140,000	140,000									$ 1,130,105	1,270,105
Reversions:												
Current year reversions	(30,000)											
Prior year reversions		(28,656)		(40,882)		(76,582)		(216)		(29)		(146,365)
Total expenditures and encumbrances	$ 15,964,638	$ 15,910,609	$ 8,154,169	$ 7,754,301	$ 12,098,477	$ 11,008,164	$ 4,134,021	$ 4,042,216	$ 1,310,642	$ 1,220,861	$ 1,130,105	$ 41,066,256

*Appropriation and expenditure differences between this statement and the "Statement of Revenues, Expenditures and Encumbrances and Changes in Fund Balances - Budget and Actual - Budgetary General, Special, and Federal Funds" included in the RSI Section, result from differences in the classification of prior year encumbrances and expenditures.

STATE OF MARYLAND
Schedule of Changes in Fund Equities - Budgetary Basis
For the Year Ended June 30, 2015

(Expressed in Thousands)

	General Fund		Special Fund			Higher Education Funds			
	General	State Reserve	Special	Debt Service	Federal Fund	Current Unrestricted Fund	Current Restricted Fund	Capital Projects Fund	Total
Fund equities, June 30, 2014	$ 255,156	$ 772,533	$ 1,878,142	$ 149,176		$ 978,014	$ 4,948	$ 268,054	$ 4,306,023
Increase:									
Revenues	15,823,160	22,930	6,423,962	881,274	$ 11,031,114	4,089,241	1,221,099	1,041,386	40,534,166
Decrease:									
Appropriations	15,994,638		7,266,237	887,932	12,098,477	4,134,021	1,310,642		
Less: Current year reversions	(55,298)		(346,662)	(12,324)	(1,013,731)	(91,589)	(89,752)		
Prior year reversions	(28,656)		(40,882)		(76,582)	(216)	(29)		
Expenditures and encumbrances*	15,910,684		6,878,693	875,608	11,008,164	4,042,216	1,220,861	1,130,105	41,066,331
Changes to encumbrances during fiscal year 2015	6,164		117,408		118,119	(226)	(114)		241,351
Expenditures	15,916,848		6,996,101	875,608	11,126,283	4,041,990	1,220,747	1,130,105	41,307,682
Transfers in (out)	261,271	(15,584)	367,139	6,270	95,169	(6,992)	71	1,298	708,642
Fund equities, June 30, 2015	$ 422,739	$ $ 779,879	$ 1,673,142	$ 161,112	$ -	$ 1,018,273	$ 5,371	$ 180,633	$ 4,241,149
Fund Balance:									
Reserved:									
Encumbrances	$ 101,434		$ 732,112		$ 326,953	$ 1,146	$ 244	$ 641,747	$ 1,803,636
State reserve fund		$ 779,879							779,879
Loans and notes receivable				$ 1,579					1,579
Shore erosion loan program			7,942						7,942
Gain/Loss on Investments			798						798
Unreserved:									
Designated for:									
General long-term debt service				159,533					159,533
2016 operations	52,703								52,703
Undesignated surplus (deficit)	268,602		932,290		(326,953)	1,017,127	5,127	(461,114)	1,435,079
Total	$ 422,739	$ 779,879	$ 1,673,142	$ 161,112	$ -	$ 1,018,273	$ 5,371	$ 180,633	$ 4,241,149

*Appropriations and expenditure differences between this statement and the "Statement of Revenues, Expenditures and Encumbrances and Changes in Fund Balances - Budget and Actual - Budgetary General, Special, and Federal Funds" included in the RSI Section, result from differences in the classification of prior year encumbrances and expenditures.

STATE OF MARYLAND
Schedule of Funds Transferred to Political Subdivisions
For the Year Ended June 30, 2015 (1)

(Expressed in Thousands)

Subdivision	State Sources				Other Sources			Assessed Value of Real and Personal Property (2)	Amount Per $100 of Assessed Value
	Shared Revenues	Direct Grants and Appropriations	Debt Service	Total	Federal Funds	State Administered Local Revenue	Total		
Allegany	$ 466	$ 119,449	$ 5,524	$ 125,439	$ 24,875	$ 28,101	$ 178,415	$ 3,861,939	$ 4.62
Anne Arundel	2,865	487,696	31,702	522,263	82,220	472,448	1,076,931	80,143,440	1.34
Baltimore County	4,044	844,626	55,587	904,257	147,797	704,477	1,756,531	79,237,782	2.22
Calvert	619	105,525	1,463	107,607	13,300	76,676	197,583	12,275,056	1.61
Caroline	390	62,504	8,179	71,073	11,632	12,198	94,903	2,571,867	3.69
Carroll	1,099	183,084	5,250	189,433	22,450	138,739	350,622	18,664,970	1.88
Cecil	633	139,040	16,303	155,976	22,905	56,705	235,586	9,761,437	2.41
Charles	929	219,000	16,993	236,922	29,885	110,153	376,960	16,414,518	2.30
Dorchester	434	74,779	975	76,188	30,039	13,499	119,726	2,868,566	4.17
Frederick	1,324	300,536	17,211	319,071	31,072	194,349	544,492	26,769,748	2.03
Garrett	519	39,452	594	40,565	10,412	14,456	65,433	4,431,623	1.48
Harford	1,362	280,359	21,937	303,658	37,962	208,847	550,467	26,814,443	2.05
Howard	1,554	328,015	20,311	349,880	40,053	396,862	786,795	46,614,907	1.69
Kent	222	19,273	836	20,331	8,729	14,097	43,157	2,944,705	1.47
Montgomery	3,634	900,520	70,332	974,486	132,117	1,311,610	2,418,213	175,520,142	1.38
Prince George's	2,857	1,240,248	43,706	1,286,811	180,058	540,218	2,007,087	77,470,145	2.59
Queen Anne's	518	76,625	25,412	102,555	23,904	47,848	174,307	7,630,920	2.28
St. Mary's	762	126,826	12,052	139,640	20,845	86,040	246,525	12,113,917	2.04
Somerset	276	42,989	3,891	47,156	11,257	7,191	65,604	1,438,936	4.56
Talbot	320	23,849	48	24,217	8,793	30,211	63,221	8,363,444	0.76
Washington	859	219,910	13,942	234,711	33,449	78,239	346,399	12,348,282	2.81
Wicomico	637	173,653	10,807	185,097	29,597	48,678	263,372	6,113,032	4.31
Worcester	504	37,624	163	38,291	16,203	19,730	74,224	14,786,009	0.50
Baltimore City	125,254	1,336,751	44,103	1,506,108	294,077	318,204	2,118,389	35,578,425	5.95
Total	$ 152,081	$ 7,382,333	$ 427,321	$ 7,961,735	$ 1,263,631	$ 4,929,576	$ 14,154,942	$ 684,738,253	

(1) In addition to the amounts shown for counties and Baltimore City, $138,318,000 was distributed to municipalities within the counties.

(2) Source: Seventy-First Report of the Department of Assessments and Taxation, dated January 2015. Assessed value of property is 100%.

STATE OF MARYLAND
Schedule of Taxes Receivable from
Collectors of State Property Taxes
June 30, 2015

(Expressed in Thousands)

Political Subdivision	Taxes Receivable		
	Current Year	Prior Years	Total
Allegany	$ 386	$ 180	$ 566
Anne Arundel	5,797	195	5,992
Baltimore County	414	229	643
Calvert	282	42	324
Caroline	39	11	50
Carroll	128	59	187
Cecil	86	10	96
Charles	57	105	162
Dorchester	213	85	298
Frederick	-	187	187
Garrett	287	12	299
Harford	168	15	183
Howard	79	982	1,061
Kent	168	27	195
Montgomery	445	(353)	92
Prince George's	95	526	621
Queen Anne's	15	12	27
St. Mary's	296	79	375
Somerset	171	274	445
Talbot	3	14	17
Washington	220	(129)	91
Wicomico	78	87	165
Worcester	468	69	537
Baltimore City	383	11,163	11,546
Total	$ 10,278	$ 13,881	$ 24,159

STATE OF MARYLAND
Schedule of Estimated Revenues - Budgetary Basis
For the Year Ending June 30, 2016
(Expressed in Thousands)

	General Fund	Special Fund	Federal Fund	Current Unrestricted Fund	Current Restricted Fund	Total
Income Taxes	$ 9,466,914	$ 239,313				$ 9,706,227
Retail sales and use tax and licenses	4,546,007	64,213				4,610,220
Motor vehicle fuel taxes and licenses		1,030,831				1,030,831
Motor vehicle tax and licenses		1,176,700				1,176,700
Property taxes	115,367	780,576 (1)				895,943
Insurance company taxes, licenses and fees	301,588					301,588
Franchise and corporation taxes	246,624					246,624
State tobacco tax and licenses	391,595					391,595
Alcoholic beverages taxes and licenses	32,943					32,943
Death taxes	216,271					216,271
Miscellaneous taxes, fees and other revenues	167,397	104,538 (1)	$ 11,477 (1)			283,412
Budgeted tobacco settlement recoveries		188,484				188,484
Horse racing taxes and licenses		3,061				3,061
District courts fines and cost	78,844					78,844
Interest on investments	31,199	2,000				33,199
Hospital patient recoverie	63,265					63,265
Legislative	42					42
Judicial review and legal	71,822	142,806	4,137			218,765
Executive and administrative control	8,067	233,948	217,761			459,776
Financial and revenue administration	13,607	53,958				67,565
Budget and management	4,398	19,401	3,261			27,060
Maryland lottery and gaming control	478,910	472,291				951,201
Information technology development		10,981	632			11,613
Retirement and pension		19,730				19,730
General services	77	3,283	1,263			4,623
Transportation and highways	4,625	1,550,652	1,021,093			2,576,370
Natural resources and recreation	194	81,608	29,636			111,438
Agriculture	132	34,548	3,984			38,664
Health, hospitals and mental hygiene	47,055	1,154,519	6,746,362			7,947,936
Human resources	770	111,934	1,853,230			1,965,934
Labor, licensing and regulation.	12,464	133,055	183,308			328,827
Public safety and correctional services	10,679	143,255	28,584			182,518
Public education	5,113	49,708	1,084,832	$ 4,167,729	$ 1,317,546	6,624,928
Housing and community development	449	105,401	261,921			367,771
Business and economic development	2,126	65,928	1,519			69,573
Environment	841	270,175	78,704			349,720
Juvenile services		4,906	7,343			12,249
State police	3,868	93,048	1,173			98,089
Total estimated revenues (2)	$ 16,323,253	$ 8,344,851	$ 11,540,220	$ 4,167,729	$ 1,317,546	$ 41,693,599

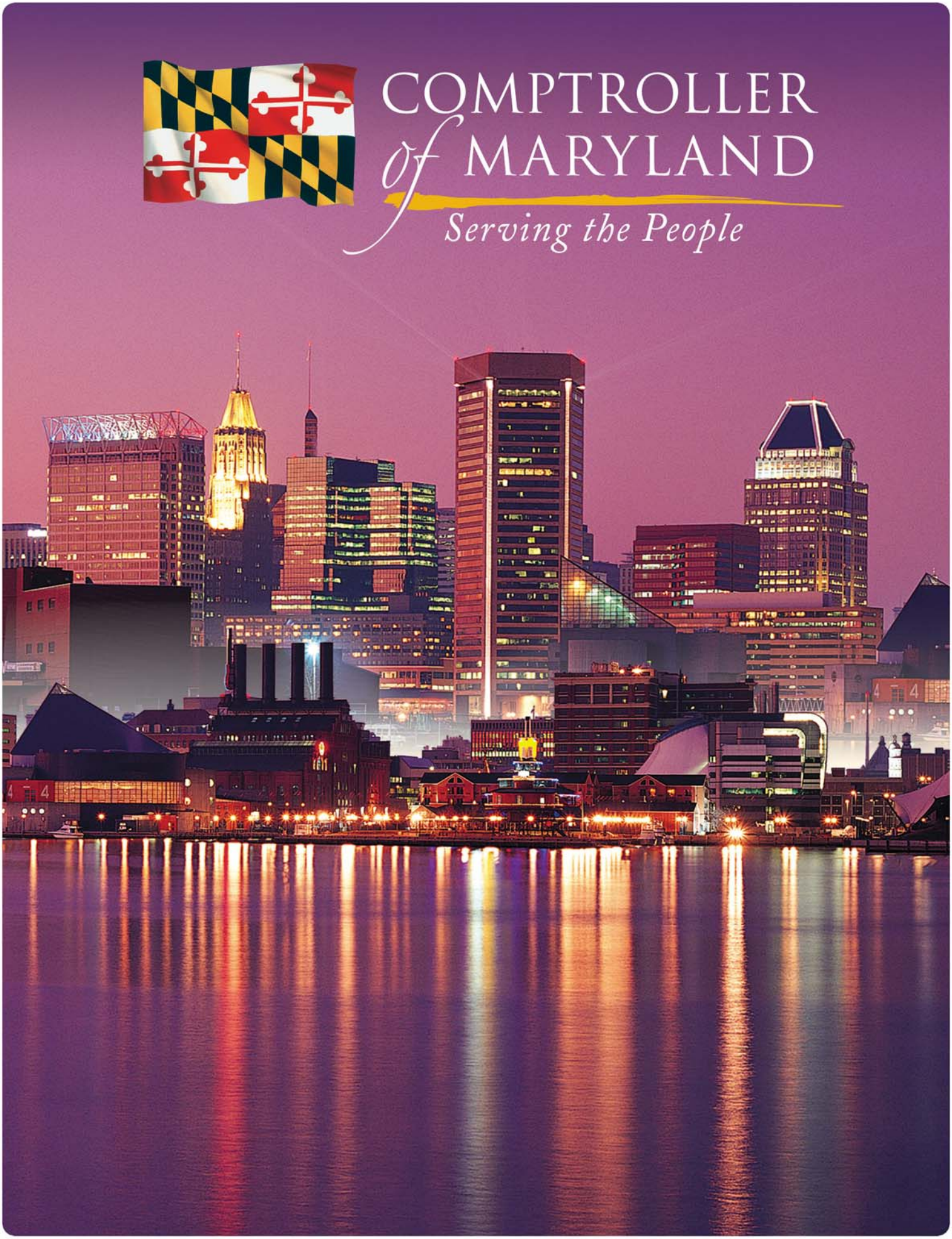
(1) Includes $ 856,855,000 recorded in the Debt Service Fund for accounting purposes.

(2) Amounts are reported as of July 1, 2015, and do not reflect revisions, if any, subsequent to that date

STATE OF MARYLAND
Schedule of General, Special, Federal, Current Unrestricted and Current Restricted Fund Appropriations - Budgetary Basis
For the Year Ending June 30, 2016
(Expressed in Thousands)

	General Fund	Special Fund	Federal Fund	Current Unrestricted Fund	Current Restricted Fund	Total
Payments of revenue to civil divisions of the State	$ 157,479					$ 157,479
Public debt	252,400	$ 845,378 (1)	$ 11,477			1,109,255
Legislative	84,525					84,525
Judicial review and legal	567,882	143,710	4,137			715,729
Executive and administrative control	248,887	236,948	217,761			703,596
Financial and revenue administration	222,466	132,242				354,708
Budget and management	88,830	30,381	3,893			123,104
Retirement and pension		19,731				19,731
General services	60,119	3,283	1,263			64,665
Transportation and highways		3,960,582	1,021,093			4,981,675
Natural resources and recreation	55,769	157,800	29,636			243,205
Agriculture	26,645	42,049	3,984			72,678
Health, hospitals and mental hygiene	4,172,967	1,329,949	6,746,362			12,249,278
Human resources	622,229	111,934	1,853,230			2,587,393
Labor, licensing and regulation	43,992	134,640	183,308			361,940
Public safety and correctional services	1,173,019	143,255	28,584			1,344,858
Public education	7,809,081	513,511	1,084,832	$ 4,167,729	$ 1,317,546	14,892,699
Housing and community development	5,382	105,401	261,921			372,704
Business and economic development	91,531	65,928	1,519			158,978
Environment	32,275	270,175	78,704			381,154
Juvenile justice	276,774	4,906	7,343			289,023
State police	241,955	93,048	1,173			336,176
State reserve fund	200,000					200,000
Total appropriations (2)	$ 16,434,207	$ 8,344,851	$ 11,540,220	$ 4,167,729	$ 1,317,546	$ 41,804,553

(1) Recorded in the Debt Service Fund for accounting purposes.
(2) Amounts are reported as of July 1, 2015, and do not reflect revisions, if any, subsequent to that date.



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